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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)

CONTINUING CONNECTED TRANSACTIONS
2020 RENEWAL AGREEMENT

References are made to: (a) the announcement of the Company dated 13 June 2018 in respect of, *inter alia*, a revolving loan facility in the aggregated principal amount of up to RMB110 million granted by the Company to the Borrower(s) pursuant to the Revolving Loan Agreement; and (b) the announcement of the Company dated 13 June 2019 in respect of, *inter alia*, a revolving loan facility in the aggregate principal amount of up to RMB45 million granted by the Company to the Borrower(s) pursuant to the 2019 Renewal Agreement.

As the 2019 Renewal Agreement has expired on 12 June 2020, the Company entered into the 2020 Renewal Agreement with Longjitaihe Group on 12 June 2020 to renew the 2019 Renewal Agreement for another one year from 13 June 2020 to 12 June 2021, with the aggregate principal amount of the revolving loan further adjusted from RMB45 million to RMB18 million.

Save as disclosed in this announcement, all other terms and condition of the Revolving Loan Agreement and the 2019 Renewal Agreement remain in full force and effect and continue to be binding and enforceable.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Longjitaihe Group is held as to 99% by Mr. Wei, the controlling Shareholder of the Company holding approximately 60.71% of the Company's issued Share capital and a connected person of the Company under Chapter 14A of the Listing Rules, as such, the 2020 Renewal Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transactions under the 2020 Renewal Agreement exceed 0.1% but are less than 5%, the transactions 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.

LOAN RENEWAL

References are made to: (a) the announcement of the Company dated 13 June 2018 in respect of, *inter alia*, a revolving loan facility in the aggregated principal amount of up to RMB110 million granted by the Company to the Borrower(s) pursuant to the Revolving Loan Agreement; and (b) the announcement of the Company dated 13 June 2019 in respect of, *inter alia*, a revolving loan facility in the aggregate principal amount of up to RMB45 million granted by the Company to the Borrower(s) pursuant to the 2019 Renewal Agreement.

As the 2019 Renewal Agreement has expired on 12 June 2020, the Company entered into the 2020 Renewal Agreement with Longjitaihe Group on 12 June 2020 to renew the 2019 Renewal Agreement for another one year from 13 June 2020 to 12 June 2021, with the aggregate principal amount of the revolving loan adjusted from RMB45 million to RMB18 million.

Set out below is a summary of major terms of the 2020 Renewal Agreement:

- Date of Agreement:** 12 June 2020
- Parties:**
- (1) Lender: the Company and its subsidiaries; and
 - (2) Borrower(s): Longjitaihe Group, its associates and any third party designated by Longjitaihe Group.
- Term of the Agreement:** One year commencing from 13 June 2020 to 12 June 2021 (both days inclusive).
- Maximum aggregate amount of the 2020 Renewed Revolving Loan:** Up to RMB18 million.
- The Borrower(s) may draw the 2020 Renewed Revolving Loan in one or multiple tranches from 13 June 2020. Any repaid principal amounts of the 2020 Renewed Revolving Loan will refresh the facility amount available for drawing within the term of the 2020 Renewal Agreement.
- Interest rate:** Interest rate for the 2020 Renewed Revolving Loan will remain at no less than 9% per annum calculated based on the actual number of days elapsed on a 365-day year and the interest rate shall be:
- (1) no less than the interest rate charged by the Group for loans extended to independent third parties during the same period; and

- (2) no less than the interest rate obtainable by the Group for its deposits with banks or financial institutions for the same amount and during the same period.

Repayment date: The 2020 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 2021.

Save as disclosed in this announcement, all other terms and condition of the Revolving Loan Agreement and the 2019 Renewal Agreement remain in full force and effect and continue to be binding and enforceable.

INFORMATION OF LONGJITAIHE GROUP AND THE GROUP

Longjitaihe Group

Longjitaihe Group 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.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The reason for granting the 2020 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 Borrower(s) have not breached the Revolving Loan Agreement nor the 2019 Renewal Agreement, and after assessing the financial background and conditions of Longjitaihe Group and the expected interested to be generated from the 2020 Renewed Revolving Loan, believes that the 2020 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 2020 Renewal Agreement, including the aggregate principal amount and the applicable interest rate, were agreed and adopted 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 2020 Renewal Agreement, including the aggregate principal amount and the applicable interest rate, are fair and reasonable and the transactions 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 2020 Renewed Revolving Loan with its internal resources.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Longjitaihe Group is held as to 99% by Mr. Wei, the controlling Shareholder of the Company holding approximately in 60.71% of the Company's issued Share capital and a connected person of the Company under Chapter 14A of the Listing Rules, as such, the 2020 Renewal Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transactions under the 2020 Renewal Agreement exceed 0.1% but are less than 5%, the transactions 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 2020 Renewal Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the 2020 Renewal Agreement and the transactions contemplated thereunder and none of them has abstained from voting on the relevant board resolutions of the Company.

DEFINITIONS

“2019 Renewal Agreement”	the renewal agreement for the Revolving Loan Agreement dated 13 June 2019 entered into between the Company and Longjitaihe Group, pursuant to which the Company has agreed to make available to the Borrower(s) a revolving loan facility in the aggregate principal amount of up to RMB45 million granted by the Company to the Borrower(s)
“2020 Renewal Agreement”	the renewal agreement for the Revolving Loan Agreement dated 12 June 2020 entered into between the Company and Longjitaihe Group, pursuant to which the Company has agreed to make available to the Borrower(s) the 2020 Renewed Revolving Loan
“2020 Renewed Revolving Loan”	A revolving loan facility in the aggregate principal amount of up to RMB18 million granted by the Company pursuant to the 2020 Renewal Agreement
“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Borrower(s)”	collectively or individually, Longjitaihe Group, any one of its associates, and/or third parties designated by Longjitaihe Group

“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 of Hong Kong Limited
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longjitaihe Group”	Longjitaihe Group Co., Ltd*. 隆基泰和集團有限公司 (previously known as 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 60.71% 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 the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Revolving Loan Agreement”	the revolving loan framework agreement dated 13 June 2018 entered into between the Company and Longjitaihe Group, pursuant to which the Company or any of its subsidiaries has agreed to make available to the Borrower(s) a revolving loan facility in the aggregate principal amount of up to RMB110 million
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)” the holder(s) of the Share(s)

“%” per cent

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

Hebei, 12 June 2020

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.

* *For identification purposes only*