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**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)**

### **BUSINESS UPDATE**

## **ENTERING INTO A SERVICE COLLABORATION AGREEMENT WITH IBM (CHINA) COMPANY LIMITED**

This announcement is issued by LongiTech Smart Energy Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders of the Company, potential investors and the public about the latest development of the Group’s business and operations.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 30 September 2016, Hebei LongiTech Cloud Energy Technology Company Limited (“**Cloud Energy Company**”), an indirect wholly-owned subsidiary of the Company, has entered into a service collaboration agreement with IBM (China) Company Limited (“**IBM China**”) in relation to the provision of technologies and services related to Smart Energy Cloud Platform (the “**Cloud Platform**”) by IBM China to Cloud Energy Company (the “**Service Collaboration Agreement**”).

### **Subject matter of the Service Collaboration Agreement**

IBM China will collaborate with Cloud Energy Company in aspects of construction, optimization and enhancement of the Cloud Platform, which mainly includes technical consultation and implementation works related to Internet-of-Things data access, big data storage, energy data mining and insight, typical application, and user experience, in order to cope with the business demand of core assets such as supporting rapid expansion of the numbers of users, refining data standards, enhancing data collection ability, and accumulating calculation models.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICE COLLABORATION AGREEMENT**

The Company principally engages in smart energy business, and is devoted to becoming a leading smart energy integrated service provider for green cities in the People's Republic of China (the "PRC") by collecting energy consumer data and energy data through an online smart energy cloud platform and offering offline integrated services which include energy optimization and management, energy saving services, distributed energy, and energy trading, thereby providing all-round intelligent services for energy consumers.

As a leading enterprise in global information industry, International Business Machines Corporation ("IBM") is a cognitive solutions and cloud platform company. IBM leverages on innovation, data and expertise to help improve business and social development, and provides world-class technological products and services in business areas such as hardware, software, information and consultation services as well as leasing.

The Board believes that leveraging on IBM's strong expertise in software development, information and consulting services, the collaboration with IBM China would provide strong technical support and service guarantee to the Group's rapid development of smart energy business. The Board consider that the entering into of the Service Collaboration Agreement is in line with the business development direction of the Group, and is in the interest of the Company and its shareholders as a whole.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, IBM China and its ultimate beneficial owners are third parties independent of the Group and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).

### **GENERAL**

Cloud Energy Company is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company, which principally engages in smart energy related business in the PRC such as energy-related technological research and development, consultation, services and sale of electricity, and heat production and supply.

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions under the Service Collaboration Agreement are less than 5%, the Service Collaboration Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hebei, 30 September 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Wei Shaojun, Mr. Wei Qiang, Mr. Li Hai Chao and Ms. Zhen Xiaojing and the independent non-executive directors of the Company are Mr. Han Qinchun, Mr. Wong Yik Chung John and Mr. Han Xiaoping.*