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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 TRANSACTION
PROVISION OF REVOLVING LOAN**

REVOLVING LOAN AGREEMENT

The Board is pleased to announce that on 13 June 2018 (after trading hours), the Company entered into the Revolving Loan Agreement with LongiTech Industrial, pursuant to which the Company has agreed to provide through the Company or any of its subsidiaries to the Borrowers a revolving loan in an aggregate principal amount of up to RMB110 million for the availability period commencing from the date of the Revolving Loan Agreement and ending on 12 June 2019.

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 54.79% of the Company's issued share capital and a connected person of the Company under Chapter 14A of the Listing Rules, as such, the Revolving Loan 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 Revolving Loan 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.

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Subsidiary agreement(s)

The parties to the Revolving Loan Agreement shall, from time to time, enter into separate agreement(s) which set out specific terms for the provision of the relevant Loan subject to the terms and conditions of the Revolving Loan Agreement in order to facilitate the transactions thereunder.

Date of Agreement: 13 June 2018 (after trading hours)

Parties:

- (1) Lender: the Company and its subsidiaries; and
- (2) Borrower(s): LongiTech Industrial, its subsidiaries and any third party designated by LongiTech Industrial.

The designation by LongiTech Industrial of any third party borrower under the Revolving Loan Agreement is subject to the following conditions:

- (1) provision by LongiTech Industrial of sufficient documents proving, to the satisfaction of the lender, that the third party borrower is financially strong enough to repay the Loan and perform its obligations under the Revolving Loan Agreement; and
- (2) provision of a corporate guarantee by LongiTech Industrial in favour of the Company and/or its subsidiaries guaranteeing the due and punctual performance by the third party borrower of its obligations under the Revolving Loan Agreement.

Term of the Agreement: 1 year commencing from the date of execution of the Revolving Loan Agreement and expiring on 12 June 2019 (both days inclusive).

Maximum aggregate amount of the Revolving Loan: Up to RMB 110 million.

The Borrower(s) may draw the Revolving Loan in one or multiple tranches from the date of the Revolving Loan Agreement. Any repaid principal amounts of the Revolving Loan will refresh the facility amount available for drawing within the term of the Revolving Loan Agreement.

Interest rate: Interest is calculated based on the actual number of days elapsed on a 365 day year and the annual interest rate shall be:

- (1) no less than 9%;
- (2) no less than the interest rate charged by the Group for loans extended to independent third parties during the same period; and
- (3) 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 Loan, together with the accrued interests, shall be repaid in full within one year from the date of actual drawdown and in any event not later than 12 June 2019.

Failure to repay the Revolving Loan and the accrued interests on the due date will be subject to the following penalty:

Overdue amount \times 0.06% \times Number of days overdue (including the original repayment date and the actual repayment date)

Early repayment: The Borrower(s) may at any time prior to the repayment date repay the Revolving Loan in whole or in part (with the interests accrued and thereon from the drawdown date until the actual date of repayment), without any penalty, upon giving 3 Business Days' prior notice to the lender.

AGGREGATE PRINCIPAL AMOUNT OF THE REVOLVING LOAN AND BASIS OF DETERMINATION

There was no previous transaction in relation to the provision of revolving loan by the Group to the Borrowers. The aggregate principal amount of the Revolving Loan is determined after assessing the Group's estimated temporary surplus cash resources and expected interest earning from the Revolving Loan, as opposed to the income that could otherwise be generated by the Group's surplus cash.

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 solar energy businesses and public infrastructure construction and operation management etc. for PPP projects.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The reason for granting the Revolving Loan is to manage and apply the surplus cash resources of the Group reasonably. The Company, after assessing the financial background of LongiTech Industrial, believes that the Revolving Loan will 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 Revolving Loan 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 Revolving Loan Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

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

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As the applicable percentage ratios in respect of the transaction under the Revolving Loan 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 Revolving Loan Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Revolving Loan Agreement and the transactions contemplated thereunder and none of them has abstained from voting on the relevant board resolutions of the Company.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	A day on which banks are open for general banking business in Hong Kong and the PRC other than a Saturday, Sunday, bank holiday or public holiday
“Borrower(s)”	collectively or individually, LongiTech Industrial, any one of its subsidiaries, 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
“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 54.79% of the issued shares of the Company
“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
“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” or “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

Hong Kong, 13 June 2018

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.