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卡姆丹克太陽能系統集團有限公司
Comtec Solar Systems Group Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 712)

**SUBSCRIPTION OF NEW SHARES
UNDER THE GENERAL MANDATE**

THE SUBSCRIPTION

On 21 July 2017 (after morning session of the trading hours), the Company entered into the Subscription Agreement with the Subscriber, an independent third party, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at a subscription price of HK\$0.25 per Subscription Share.

The Subscriber will subscribe for 190,912,714 Subscription Shares, representing (i) approximately 11.47% of the existing issued share capital of the Company, and (ii) approximately 10.29% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the Subscription shall be conditional on (i) there shall not have occurred any material breach of any representation, warranty or undertaking given by the Company in the Subscription Agreement (or any such representation, warranty or undertaking is otherwise rendered inaccurate, untrue or misleading in any material respect) at and as of the Completion Date; (ii) satisfaction and compliance with the applicable requirements under the Listing Rules regarding the Subscription; (iii) the Listing Committee granting the listing of and permission to deal in the Subscription Shares on the Stock Exchange (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under the Subscription Agreement) and (iv) each party to the Subscription Agreement having obtained all consents or approvals required for the entering into or the implementation or completion of the Subscription Agreement or for the performance of their respective obligations thereunder, including but not limited to the consents or approvals of the respective shareholders or directors of the parties to the Subscription Agreement, the Stock Exchange and any regulatory authorities (if applicable).

GENERAL

The net proceeds from the Subscription (after deducting related professional fees and related expenses) are expected to be approximately HK\$46.93 million.

The Subscription Shares will be allotted and issued under the General Mandate and the Subscription is not subject to the approval by the Shareholders.

As the completion of the Subscription is subject to the satisfaction of the Conditions Precedent under the Subscription Agreement and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

On 21 July 2017 (after morning session of the trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at a subscription price of HK\$0.25 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

Date

21 July 2017 (after morning session of the trading hours)

Parties to the Subscription Agreement

Issuer: the Company

Subscriber: the Subscriber, an independent third party

Subscription Shares

The Subscriber will subscribe for 190,912,714 Subscription Shares, representing (i) approximately 11.47% of the existing issued share capital of the Company, and (ii) approximately 10.29% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The Subscription Price of HK\$0.25 per Subscription Share was arrived at after arm's length negotiation between the Company and the Subscriber.

The Subscription Price represents:

- (i) a discount of approximately 12.28% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 20 July 2017, being the last trading day before the date of the Subscription Agreement;

- (ii) a discount of approximately 11.66% to the average closing price of HK\$0.283 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to 20 July 2017; and
- (iii) a discount of approximately 11.82% to the average closing price of HK\$0.2835 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to 20 July 2017.

The Directors are of the opinion that the Subscription Price is fair and reasonable and is in the best interest of the Company and the Shareholders.

Ranking

The Subscription Shares will, when fully paid, rank *pari passu* in all respects with the existing issued Shares of the Company upon issuance.

Conditions Precedent

Completion of the Subscription shall be conditional on:

- (i) there shall not have occurred any material breach of any representation, warranty or undertaking given by the Company in the Subscription Agreement (or any such representation, warranty or undertaking is otherwise rendered inaccurate, untrue or misleading in any material respect) at and as of the Completion Date;
- (ii) satisfaction and compliance with the applicable requirements under the Listing Rules regarding the Subscription;
- (iii) the Listing Committee granting the listing of and permission to deal in the Subscription Shares on the Stock Exchange (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under the Subscription Agreement); and
- (iv) each party to the Subscription Agreement having obtained all consents or approvals required for the entering into or the implementation or completion of the Subscription Agreement or for the performance of their respective obligations thereunder, including but not limited to the consents or approvals of the respective shareholders or directors of the parties to the Subscription Agreement, the Stock Exchange and any regulatory authorities (if applicable).

Completion

Completion of the Subscription will take place on the Completion Date, which shall be the first Business Day after the date upon which the last of the Conditions Precedent to be satisfied shall have been so satisfied.

If the Completion does not take place on or before 90 days from the date of the Subscription Agreement or such later date as may be agreed between the Company and the Subscriber, the obligations and liabilities of the Subscriber and the Company under the Subscription Agreement shall be null and void and none of the Company or the Subscriber shall have any claim against the other party for costs, damages, compensation or otherwise, except for any antecedent breach of any obligation under the Subscription Agreement.

Lock-up undertaking

The Subscriber undertakes and agrees that without the prior written consent of the Company, the Subscriber shall not, whether directly or indirectly, at any time during the Lock-up Period, dispose of or pledge any of the Subscription Shares or any interest in any company or entity holding (directly or indirectly) any of the Subscription Shares. The Subscriber and the Company agree that, after the expiration of the Lock-up Period, the Subscriber shall be free to dispose of any of the Subscription Shares, provided that during the three months after the expiration of the Lock-up Period, the Subscriber shall not (i) pledge any of the Subscription Shares and (ii) dispose of any of the Subscription Shares at a price lower than HK\$0.33 per Share.

Termination

The Subscriber may by notice in writing to the Company elect to proceed to Completion or terminate the Subscription Agreement, if at any time prior to 8:30 a.m. (Hong Kong time) on the Completion Date, there develops, occurs or comes into force:

- (i) any material adverse change to the Group taken as a whole;
- (ii) any new law or regulation in existing laws or regulations in any relevant jurisdiction which prohibits the completion of the transactions contemplated by the Subscription Agreement;
- (iii) material breach of any of the Company's representations, warranties and undertakings as set out in the Subscription Agreement as given on the date of the Subscription Agreement, or any event occurs which would constitute a material breach of any of such representations, warranties and undertakings as if the Company's representations, warranties and undertakings were repeated on the Completion Date by reference to the facts and circumstances then existing; or
- (iv) material breach by the Company of any provision of the Subscription Agreement.

In the event that the Subscriber terminates the Subscription Agreement in accordance with provisions as set out above, the further rights and obligations of the parties to the Subscription Agreement shall cease immediately on termination, except that clauses relating to costs and taxes, confidentiality, announcement, notices, the governing law and jurisdiction shall survive the termination of the Subscription Agreement and shall continue in full force in effect. Termination does not affect a party's accrued rights and obligations as at the date of termination.

INFORMATION ON THE GROUP AND THE SUBSCRIBER

The Group is principally engaged in the manufacture and sales of solar wafers and related products, and the provision of project development services, including the development of downstream solar power projects in the PRC.

The Subscriber is a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Wu Zheqiang (吳哲強). The Subscriber is principally engaged in investment holding and Mr. Wu is an experienced investor and mainly focuses on industrial and consumer goods sectors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are independent third parties.

REASONS FOR THE SUBSCRIPTION

In view of the prevailing capital market conditions, the Board believes that the Subscription represents a good opportunity for the Company to raise further capital while broadening the shareholder base of the Company.

The Board considers the terms of the Subscription Agreement, which have been negotiated on an arm's length basis on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The net proceeds from the Subscription (after deducting related professional fees and related expenses) are expected to be approximately HK\$46.93 million, representing approximately a net subscription price of HK\$0.2458. The Directors intend to use the net proceeds as general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 8 July 2016, the Company entered a subscription agreement with Shanghai Hengqu Internet Technology Co., Ltd.* (上海恒渠互聯網科技有限公司) (“**Hengqu**”), pursuant to which the Company has conditionally agreed to allot and issue 154,651,306 subscription shares at a subscription price of HK\$0.46 per Share to Hengqu or its designated nominee. The subscription has been completed on 18 August 2016 with the 154,651,306 subscription shares allotted and issued to Harmony Gold Venture Corp, a wholly-owned subsidiary of Hengqu, generating the net proceeds of approximately HK\$70.4 million, representing a net subscription price of HK\$0.45 per subscription share, which was expected to be used for any investment opportunity to be identified by the Group and as general working capital of the Group. As at the date of this announcement, all net proceeds have been fully used for identified investment opportunities and as working capital of the Group. Please refer to the announcements of the Company dated 8 July 2016 and 18 August 2016 for further details.

On 13 July 2017, the Company entered into a subscription agreement with Rich Reach Holdings Limited (“**Rich Reach**”), pursuant to which the Company has conditionally agreed to allot and issue 118,389,897 subscription shares at a subscription price of HK\$0.2534 per Share to Rich Reach. The subscription has been completed on 20 July 2017 with the

118,389,897 subscription shares allotted and issued to Rich Reach, generating net proceeds of approximately HK\$29.2 million, representing a net subscription price of HK\$0.247 per subscription share, which is expected to be used as general working capital of the Group. As at the date of this announcement, none of the net proceeds have been used as working capital of the Group. Please refer to the announcements of the Company dated 13 July 2017 and 20 July 2017 for further details.

Save as disclosed herein, the Company has not conducted any equity fund raising activities in the past twelve months preceding the date of this announcement.

EFFECT OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the Subscription is summarised as follows (*Note 1*):

	As at the date of this announcement		Immediately after completion of the Subscription	
	No. of Shares	%	No. of Shares	%
		(approx.)		(approx.)
Mr. Zhang (<i>Note 2</i>)	624,283,550	37.50	624,283,550	33.64
The Subscriber	—	—	190,912,714	10.29
Public shareholders	<u>1,040,619,403</u>	<u>62.50</u>	<u>1,040,619,403</u>	<u>56.07</u>
Total	<u>1,664,902,953</u>	<u>100</u>	<u>1,855,815,667</u>	<u>100</u>

Notes:

- (1) The table above assumes no Shares will be issued pursuant to the employee share option scheme of the Company between the date of this announcement and the completion of the Subscription.
- (2) As at the date of this announcement, Mr. Zhang is the sole shareholder of Fonty and is therefore deemed to be interested in the 576,453,844 Shares held by Fonty. Mr. Zhang is also deemed to be interested in 47,829,706 Shares which are beneficially owned by Mr. Alan Zhang, Mr. Zhang's child under the age of 18, as beneficiary of Zhang Trusts For Descendants, which is an irrevocable trust set up by Mr. Zhang for the benefit of his descendants and of which J.P. Morgan Trust Company of Delaware is the trustee.

The Board considers that the Company can maintain the minimum public float as prescribed by the Listing Rules upon completion of the Subscription.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the General Mandate and is not subject to Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 309,302,611 Shares. As at the date of this announcement, 118,389,897 Shares have been allotted and issued under the General Mandate and the 190,912,714 Subscription Shares amount to approximately 61.72% of the General Mandate.

APPLICATIONS FOR LISTING

Applications will be made to the Stock Exchange for the grant of listing of and permission to deal in the Subscription Shares.

As the completion of the Subscription is subject to the satisfaction of the Conditions Precedent under the Subscription Agreement and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors;
“Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong;
“Company”	Comtec Solar Systems Group Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“Completion”	the completion of the Subscription on the terms and subject to the conditions set out in the Subscription Agreement;
“Completion Date”	the date on which the Completion takes place;
“Conditions Precedent”	the conditions precedent under the Subscription Agreement set out in the paragraph headed “Conditions Precedent” of this announcement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Fonty”	Fonty Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is 100% beneficially owned by Mr. Zhang;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company on 15 June 2017;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“independent third party(ies)”	person or company who or which is not a connected person of the Company;

“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lock-up Period”	the period of 3 months following the Completion Date;
“Mr. Zhang”	Mr. John Yi Zhang, an executive Director and a substantial Shareholder which is interested in 624,283,550 Shares, representing approximately 37.50% of the issued share capital of the Company as at the date of this announcement;
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Advanced Gain Limited, a company incorporated in the British Virgin Islands;
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 21 July 2017 entered into between the Company and the Subscriber;
“Subscription Price”	HK\$0.25 per Subscription Share;
“Subscription Shares”	the 190,912,714 Shares to be allotted and issued by the Company for subscription by the Subscriber;
“%”	per cent.

* *For identification purpose only.*

By Order of the Board
Comtec Solar Systems Group Limited
John Yi ZHANG
Chairman

Hong Kong, 21 July 2017

As at the date of this announcement, the executive Directors are Mr. John Yi Zhang, Mr. Zheng Zhen and Mr. Chau Kwok Keung, the non-executive Director is Mr. Wang Yixin, and the independent non-executive Directors are Mr. Leung Ming Shu, Mr. Kang Sun and Mr. Xu Erming.