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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)

BUSINESS UPDATE

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO COOPERATION WITH SUNWAY**

This announcement is made by Comtec Solar Systems Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 25 October 2017 (after morning session of the trading hours), Comtec Solar International (M) Sdn. Bhd. (“**Comtec Malaysia**”), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MoU**”) with Sunway PFM Sdn. Bhd. (“**Sunway**”), a subsidiary of Sunway Berhad, to establish collaboration on solar battery system with a strong focus on research and development and to explore the application of such renewable technologies.

THE MOU

Date

25 October 2017

Parties to the MoU

(1) Comtec Malaysia; and (2) Sunway

Material terms of the MoU

Pursuant to the MoU, Comtec Malaysia and Sunway intend to establish collaboration on large scale solar battery system with a strong focus on research and development.

The followings set forth the responsibilities of Sunway contemplated under the MoU:

- (a) form a project team jointly with Comtec Malaysia in developing and putting in place the final product of both residential and commercial solar battery system;
- (b) facilitate the testing of the final product developed for quality testing and improvement;
- (c) render all reasonable assistance, resource and help towards applying, testing, and receiving necessary certifications, and accreditations for success of the project; and
- (d) have the option to jointly apply with Comtec Malaysia, financial grants from the public sector towards easing the financial resources in the development of the solar battery system for the purposes of achieving objectives under the MoU.

The followings set forth the responsibilities of Comtec Malaysia contemplated under the MoU:

- (a) form a project team jointly with Sunway in developing and putting in place the final product of both residential and commercial solar battery system;
- (b) provide the necessary technology, facilities, personnel, training, processes, know-how, diagrams, documentation, policies & procedures, apparatus and equipment to carry out all that is crucial, including the research and development, to meet the objectives contemplated under the MoU;
- (c) carry out the testing of the final product towards meeting the objectives contemplated under the MoU;
- (d) work together with Sunway in developing and putting in place the final product including but not limited to the technology and specialist support of the solar battery system;
- (e) manage all aspects of the project and the objectives contemplated under the MoU including but not limited to meeting milestones and project timeline, the financial resourcing, application of grant or equity, customer relationship management and all technical and commercial aspects of the project; and
- (f) assist Sunway in the continued work if necessary to achieve the objectives contemplated under the MoU.

The collaboration contemplated under the MoU shall be carried out subject to: (a) availability of funds, (b) proper approval from the board of directors of both parties, and (c) further written and legally binding specific project agreements in relation to the activities concerned to be implemented on a project by project basis.

REASONS FOR AND BENEFITS OF THE MOU

Since May 2017, the Group commenced to expand into battery storage and management business, which the Directors believe would diversify the business of the Company and fuel the growth of the Group. The MoU marks the Group's continuous efforts to develop and expand such business with a view to creating synergy through integration of the downstream solar business with the Group's existing upstream solar business.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the MoU is in the best interest of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the research, production and sales of efficient monocrystalline products and the investment, development, construction and operation of the solar photovoltaic power stations. Comtec Malaysia is a wholly-owned subsidiary of the Company.

INFORMATION ON SUNWAY

Sunway Berhad is a company listed on the Bursa Malaysia Berhad (formerly known as Kuala Lumpur Stock Exchange) (stock code: 5211) and mainly engaged in property, construction and synergistic business. Established in 1974, Sunway Berhad has become one of the Malaysia's leading public listed property construction corporations. Sunway is a subsidiary of Sunway Berhad.

Shareholders and investors of the Company should note that the transactions contemplated under the MoU is not binding and remain subject to the entering into of definitive agreements and may or may not materialise as described or at all. In the event any definitive agreement is entered into, further announcement(s) will be made if and then required or as appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Shareholders and investors of the Company should exercise caution when dealing in the shares of the Company.

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

Shanghai, the People's Republic of China, 25 October 2017

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