

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**PLACING OF EXISTING SHARES HELD BY FONTY  
AND  
SUBSCRIPTION FOR NEW SHARES BY FONTY**

On 4 April 2014, after trading hours, Fonty, Mr. Zhang, the Company and the Placees entered into the Placing and Subscription Agreement. Pursuant to the Placing and Subscription Agreement, the Placees agreed to purchase the Placing Shares from Fonty at the Placing Price, and Fonty conditionally agreed to subscribe, and the Company agreed to allot and issue to Fonty, the Subscription Shares at the Subscription Price, being the same as the Placing Price.

The Subscription is conditional upon, among other things, (i) completion of the Placing; and (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares.

Assuming 59,541,985 Shares are issued by the Company and subscribed by Fonty pursuant to the Subscription, the net proceeds to be received by the Company from the Subscription will amount to approximately HK\$77 million.

**I. PLACING AND SUBSCRIPTION AGREEMENT**

**Date**

4 April 2014 (after trading hours)

**Parties**

- (i) Fonty, a controlling shareholder of the Company, the vendor;
- (ii) Mr. Zhang;

- (iii) the Company;
- (iv) Sky Ville, one of the Placees;
- (v) ASM Connaught, one of the Placees; and
- (vi) ASM Hudson, one of the Placees.

#### **A. Placing**

##### *The Placing and Number of Placing Shares*

Pursuant to the Placing and Subscription Agreement, Fonty has agreed to sell and Sky Ville, ASM Connaught, and ASM Hudson have agreed to purchase 17,748,090 Shares, 37,529,618 Shares and 4,264,277 Shares, respectively, at a price of HK\$1.31 per each Placing Share. These Placing Shares represent (i) approximately 4.47% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.28% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares immediately after the completion of the Placing and the Subscription.

##### *Placing Price*

HK\$1.31 per Placing Share (exclusive of Hong Kong stamp duty, brokerage (if any), SFC transaction levy and Stock Exchange trading fee as may be payable by the Placees) representing:

- (i) a discount of approximately 7.50% to the closing price of HK\$1.42 per Share quoted on the Stock Exchange on 4 April 2014, being the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 6.43% to the average closing price of the Shares of approximately HK\$1.40 per Share as quoted on the Stock Exchange from 31 March 2014 to 4 April 2014, both dates inclusive, being the last five trading days immediately prior to and including the date of this announcement; and
- (iii) a discount of approximately 5.76% to the average closing price of the Shares of approximately HK\$1.39 per Share as quoted on the Stock Exchange from 24 March 2014 to 4 April 2014, both dates inclusive, being the last ten trading days immediately prior to and including the date of this announcement.

The net Placing Price, after deduction of placing commission and all other fees and expenses, is HK\$1.3.

The Placing Price has been determined after arm's length negotiations between the parties. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interest of the Company and its shareholders.

### *The Placees*

Sky Ville is an investment holding company indirectly wholly owned by Transpac Industrial, a company listed on the Singapore Exchange (stock code: T55), and principally engaged in investment activities. Transpac Industrial explores Myanmar-based investment opportunities through its strategic alliance with a Yangon-based advisory firm providing consulting services in respect of investment opportunities in light of Myanmar's political and economic reforms.

ASM Connaught and ASM Hudson are investment funds managed by ASM, an investment manager based in Hong Kong and, through its management of its funds, a deemed substantial shareholder of Transpac Industrial.

Transpac Industrial, ASM and the Company have reached a strategic cooperation relationship in relation to future business opportunities relating to solar power plant projects in Southeast Asia, particularly in Myanmar.

All of the Placees, Transpac Industrial and ASM are independent of the Company and its connected persons (as defined in the Listing Rules), including the vendor, and are not acting in concert with the vendor. None of the Placees, Transpac Industrial or ASM will become a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Placing.

### *Rights and Ranking of the Placing Shares*

The Placing Shares will be sold free of any encumbrances and third-party rights and rank pari passu among themselves and with Shares in issue as at the date of this announcement.

### *Completion of Placing*

Completion of the Placing is conditional upon the Placing and Subscription Agreement not having been rescinded in accordance with the terms therein.

Completion of the Placing shall take place on 9 April 2014 or such later date as Fonty and the Placees shall agree.

### *Recission*

The Placees reserve their right to rescind the arrangements set out in the Placing and Subscription Agreement by notice in writing at any time on or prior to 9 April 2014, if there has come to the notice of the Placees any of the following events, which would, in the reasonable opinion of the Placees, prejudice the success of the Placing:

- (i) that any statement contained in this Announcement was when this Announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or

- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Announcement, constitute an omission therefrom; or
- (iii) any material breach of the undertakings, warranties and representations set out in the Placing and Subscription Agreement; or
- (iv) any material breach of any of the obligations imposed upon any party to the Placing and Subscription Agreement (other than the Placees); or
- (v) any of the undertakings, warranties and representations set out in the Placing and Subscription Agreement would not be true in any respect if given at that time; or
- (vi) any material adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (vii) if there develops, occurs, or comes into effect any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (viii) if there develops, occurs, or comes into effect the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (ix) if there develops, occurs, or comes into effect any change in conditions of local, national or international securities markets occurs; or
- (x) if there develops, occurs, or comes into effect any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, or the People's Republic of China or any other jurisdiction relevant to the Company and/or its subsidiaries and if in the reasonable opinion of the Placees any such new law or change would materially and adversely affect the business or financial prospects of the Group; or
- (xi) if there develops, occurs, or comes into effect the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any director of the Company or any subsidiary of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or

- (xii) if there develops, occurs, or comes into effect a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the People's Republic of China or elsewhere; or
- (xiii) if there develops, occurs, or comes into effect any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group.

#### *Lock-Up Undertakings*

There are no lock-up undertakings under the Placing and Subscription Agreement.

### **B. Subscription**

#### *Subscriber*

Fonty

#### *Number of Subscription Shares*

59,541,985 new Shares, equivalent to the number of Placing Shares under the Placing, representing (i) approximately 4.47% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.28% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares immediately after the completion of the Placing and the Subscription.

#### *Subscription Price*

HK\$1.31 per Subscription Share, which is equivalent to the Placing Price. The total subscription monies payable by Fonty to the Company will be the Subscription Price per Share (i.e. HK\$1.31) multiplied by the number of Subscription Shares less the placing commission and all other fees and expenses incurred by Fonty in relation to the Placing and the Subscription. The net Subscription Price, after deduction of fees and expenses, is HK\$1.3 per Subscription Share.

#### *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 of the Subscription*

Completion of the Subscription is conditional on:

1. completion of the Placing in accordance with the Placing and Subscription Agreement;

2. the Stock Exchange granting or agreeing to listing of and permission to deal in the Subscription Shares;
3. no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Subscription void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Subscription (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company, Fonty and/or Mr. Zhang to proceed with the Subscription); and
4. if required by the SFC, the granting of a waiver to Fonty and persons acting in concert with it by the SFC pursuant to Note 6 on dispensations from the obligation to make a general offer for all Shares in issue under Rules 26 of the Takeovers Code.

There is no provision in the Placing and Subscription Agreement allowing the parties thereto to waive any of the above conditions.

Under Rule 14A.31(3)(d) of the Listing Rules, no approval from Shareholders is required in connection with the Placing and the Subscription if the Subscription is completed within 14 days from the date of the Placing and Subscription Agreement, that is, on or before 21 April 2014. If the conditions are not fulfilled on or before 21 April 2014, the Company and the Fonty may elect, subject to compliance with all the requirements in relation to connected transaction under the Listing Rules (including obtaining Shareholders' approval where required), to postpone completion of the Subscription to a later date to be agreed between the Company and the Fonty.

#### *Completion of the Subscription*

Completion of the Subscription will take place on the Business Day following the satisfaction of the conditions of Subscription and in any event no later than 21 April 2014.

#### *Mandate to issue new Shares*

The Subscription Shares will be issued pursuant to the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting held on 28 May 2013, which authorised the Directors to allot and issue up to 260,952,800 Shares (representing 20% of the issued share capital of the Company as at such date).

As at the date of this announcement, the general mandate has not been utilised prior to entering into the Placing and Subscription Agreement.

## II. EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE

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

	At the date of this Announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<b>Shares held by Directors</b>						
Fonty and parties acting in concert with it ( <i>Notes 2, 3</i> )	623,513,550	46.81	563,971,565	42.34	623,513,550	44.81
<b>Shares held by Public Shareholders</b>						
Placing Shares	—	—	59,541,985	4.47	59,541,985	4.28
Other shares	<u>708,506,215</u>	<u>53.19</u>	<u>708,506,215</u>	<u>53.19</u>	<u>708,506,215</u>	<u>50.91</u>
<b>Total</b>	<u><u>1,332,019,765</u></u>	<u><u>100.00</u></u>	<u><u>1,332,019,765</u></u>	<u><u>100.00</u></u>	<u><u>1,391,561,750</u></u>	<u><u>100.00</u></u>

*Note:*

- (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 New Warrants and the completion of the Placing and the Subscription.
- (2) Pursuant to the Takeovers Code, each of Fonty (a company 100% beneficially owned by Mr. Zhang), Mr. Zhang, his spouse and children under 18 are presumed to be acting in concert.
- (3) As at the date of this announcement, Fonty, which is 100% beneficially owned by Mr. Zhang, held 575,683,844 Shares. For the purposes of the SFO, 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 Placing and the Subscription.



### **III. REASONS FOR THE PLACING AND THE SUBSCRIPTION**

In view of current capital market conditions, the Board considers that the Placing and the Subscription represent a good opportunity for the Company to raise further capital for the Company, while at the same time strengthening its strategic relationship with Transpac Industrial and ASM.

The Board (including the independent non-executive Directors) considers the terms of the Placing and Subscription Agreement, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **IV. USE OF PROCEEDS**

The net proceeds from the Subscription is approximately HK\$77 million. The Directors intend to use the net proceeds for any investment opportunity to be identified by the Group and as general working capital of the Group.

### **V. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

### **VI. APPLICATION FOR LISTING**

Application(s) will be made to the Stock Exchange for the grant of listing of and permission to deal in the Subscription Shares.

### **VII. IMPLICATION UNDER THE TAKEOVERS CODE**

Mr. Zhang is a Director and a controlling shareholder of the Company. Fonty is 100% beneficially owned by Mr. Zhang.

As a result of the Placing, the aggregate percentage shareholding of Mr. Zhang and persons acting in concert with him will reduce from approximately 46.81% to approximately 42.34% (a decrease of approximately 4.47%) and as a result of the Subscription, their aggregate percentage shareholding will be increased from approximately 42.34% to approximately 44.81% (an increase of approximately 2.47%) thereby triggering a general offer obligation under Rule 26 of the Takeovers Code. Mr. Zhang will apply to the Securities and Futures Commission for the grant of a waiver to Mr. Zhang and his concert parties from the obligation to make a general offer under Rule 26 of the Takeovers Code with respect to the acquisition of the Subscription Shares.



## VIII. DEFINITIONS

“ASM”	Argyle Street Management Limited, a limited liability company incorporated in British Virgin Islands
“ASM Connaught”	ASM Connaught House Fund LP, an exempted limited partnership registered in Cayman Islands
“ASM Hudson”	ASM Hudson River Fund, a limited liability company incorporated in Cayman Islands
“Board”	means the board of Directors
“Business Day”	means any day (excluding Saturdays, Sundays and public holidays) on which commercial banks generally are open for business in Hong Kong
“Company”	Comtec Solar Systems Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Fonty”	Fonty Holdings Limited, a limited liability company incorporated in the British Virgin Islands which is 100% beneficially owned by Mr. Zhang
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhang”	Mr. John Zhang, an executive Director and a controlling shareholder of the Company who is interested in approximately 47.19% of the issued share capital of the Company under the SFO as at the date of this announcement
“New Warrants”	the 94,354,838 fully detachable and transferable warrants, exercisable for a period of four years from the date issue, as constituted by the warrant instrument executed by the Company and issued with the benefit of, and subject to, the terms and conditions set out therein entitling the holder to subscribe for up to HK\$117,000,000 Shares
“Placees”	collectively, Sky Ville, ASM Connaught and ASM Hudson
“Placing”	the placing of the Placing Shares by the Placees pursuant to the Placing and Subscription Agreement

“Placing and Subscription Agreement”	the placing and subscription agreement dated 4 April 2014 entered into between Fonty, Mr. Zhang, the Company and the Placees in relation to the Placing
“Placing Completion”	the completion of the Placing on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing Price”	HK\$1.31 per Placing Share
“Placing Shares”	up to 59,541,985 Shares to be placed under the Placing, which are currently held by Fonty
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.001 each in the capital of the Company
“Shareholders”	holders of Shares
“Sky Ville”	Sky Ville Investments Limited, a limited liability company incorporated in British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Fonty at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$1.31 per Subscription Share
“Subscription Shares”	up to 59,541,985 new Shares to be subscribed by Fonty at the Subscription Price under the Placing and Subscription Agreement and which shall be the same as the number of Placing Shares actually placed under the Placing and Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day”	has the meaning ascribed to it in the Listing Rules
“Transpac Industrial”	Transpac Industrial Holdings Limited, a listed company on the Singapore Exchange (stock code: T55)

By order of the Board of  
**Comtec Solar Systems Group Limited**  
**John Zhang**  
*Chairman*

Hong Kong, 4 April 2014

*As at the date of this announcement, the executive Directors are Mr. John Zhang, Mr. Chau Kwok Keung and Mr. Shi Cheng Qi, the non-executive Director is Mr. Donald Huang, and the independent non-executive Directors are Mr. Leung Ming Shu, Mr. Kang Sun and Mr. Daniel DeWitt Martin.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*