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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)

ANNOUNCEMENT

CONSTRUCTION CONTRACT

CONSULTANCY SERVICES AGREEMENT

This announcement is made by Comtec Solar Systems Group Limited pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

CONSTRUCTION CONTRACT

On 26 June 2013, Comtec Solar (Malaysia) entered into the Construction Contract with the Constructor, pursuant to which Comtec Solar (Malaysia) agreed to engage the Constructor to construct new facilities in Sarawak, Malaysia for the manufacturing of solar ingots and wafers, at the total construction cost of RM46 million. The total construction cost will be settled on a monthly basis according to the actual construction progress of the New Project. The New Project is expected to complete by or around the end of November 2013.

CONSULTANCY SERVICES AGREEMENT

On 26 June 2013, the Company, Comtec Solar (Malaysia) and the Consultant entered into the Consultancy Services Agreement pursuant to which the Company agreed to engage the Consultant to conduct progress inspections on the construction of the New Project and to verify and arrange the milestone payments to the Constructor pursuant to the terms of the Construction Contract. Pursuant to the terms of the Consultancy Services Agreement, the Company agreed to provide financing to Comtec Solar (Malaysia) for the construction of the New Project, either by way of cash or issue of new Shares under the General Mandate.

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It is expected that the construction of the New Project will commence in June 2013 and be completed by or around the end of November 2013. Comtec Solar (Malaysia) will pay the construction cost to the Constructor on a monthly basis according to the actual progress of the New Project.

CONSULTANCY SERVICES AGREEMENT

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Date: 26 June 2013

Parties:

- (1) Company
- (2) Comtec Solar (Malaysia); and
- (3) the Consultant

Subject matter: The Company agreed to engage the Consultant to conduct progress inspections on the construction of the New Project and to verify and arrange the milestone payments to the Constructor pursuant to the terms of the Construction Contract.

According to the Consultancy Services Agreement, the Consultant shall be responsible for:

- (a) administering, monitoring and inspection of the New Project and ensuring that the New Project is constructed in conformity with the construction plans and specifications;

- (b) keeping the Company informed of the progress of the construction for the New Project and any deviations from the construction plans and specifications;
- (c) providing the Company with detailed accurate records of any significant events that may affect the timetable for the construction of the New Project; and
- (d) assisting the Company and its subsidiaries to arrange the milestone payments to the Constructor for their works in accordance with the terms and conditions of the Construction Contract and the Consultancy Services Agreement.

**Financing of the
New Project by the
Company:**

In connection with the Consultant's assisting the Company and its subsidiaries to arrange the milestone payments to the Constructor for their works in accordance with the terms and conditions of the Construction Contract, the Company may, at its sole discretion, provide cash or issue new Shares to the Consultant under the General Mandate. In the event that the Company decides to issue new Shares, subject to the Stock Exchange granting or agreeing to grant listing of and permission to deal in the New Shares, the Consultant shall subscribe for the New Shares as determined by the Company at a nominal consideration, and any such New Shares issued by the Company shall be fully paid and free from all liens, charges, security interests, encumbrances and other third party claims whatsoever. The New Shares to be subscribed for and issued shall rank *pari passu* in all respects with the Shares in the capital of the Company in issue at the date of allotment and in particular will rank in full for all dividends and other distributions declared made or paid at any time after the date of allotment.

Immediately after the New Shares are issued to the Consultant, subject to the below conditions, the Consultant shall use its best efforts to sell any or all of the New Shares on the stock market at the highest available price.

The sales of any or all of the New Shares shall be subject to the following conditions:

- (a) the maximum volume of New Shares to be sold on any trading day shall not exceed 25% of the trading volume of the Company's Shares on the previous trading day; and
- (b) the sale price shall not be less than 92.5% to the simple average of the volume-weighted average price ("VWAP") of the last two consecutive trading days preceding the date of the sales.

The Consultant shall provide written report to the Company for each inspection visits and notify the Company in writing when each milestone payment under the Construction Contract shall became due and payable in accordance with its terms. Within five days after the Company receives such written notice from the Consultant, the Company shall provide a written notice to the Consultant to authorise and instruct the Consultant to make the relevant milestone payment to the Constructor (the “**Payment Confirmation**”).

The Consultant shall, as soon as practicable after receiving a Payment Confirmation from the Company, arrange the payment of sufficient amount of (i) cash received from the Company and/or (ii) the proceeds from the sales of any or all of the New Shares to the Constructor in accordance with the instructions set out in the Payment Confirmation. To the extent that there are any unpaid cash or proceeds, the Consultant shall retain such amount on trust for and on behalf of the Company, and utilise such amount for the purpose of making any future milestone payment(s) to the Constructor in accordance with the instruction of the Company and any remaining cash or proceeds (together with any interests) or New Shares after payment of the final milestone payment under the Construction Contract shall immediately be surrendered and returned to the Company.

Undertakings of the Consultant:

The Consultant undertakes that, among other matters, (i) the Consultant shall comply with the relevant requirements under the Listing Rules and all applicable laws in respect of the sales of any or all of the New Shares, and (ii) any proceeds from the sales of any or all of the New Shares shall not be used by the Consultant for any purpose other than payment to the Constructor unless with the prior written consent of the Company.

Consulting fees:

In consideration of the provision of the services under the Consultancy Services Agreement, the Company shall pay the Consultant a total amount of RMB300,000 which will be paid after completion of the services under the Consultancy Services Agreement.

Term of the Consultancy Services Agreement:

The term of the Consultancy Services Agreement shall be from the signing date of the Consultancy Services Agreement through the completion of the New Project or until the termination hereof in accordance with the termination provisions under the Consultancy Services Agreement, whichever is earlier

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT AND THE CONSULTANCY SERVICES AGREEMENT

The Board is of the view that (i) the Construction Contract would enable the Group to expand the manufacturing capacity and to lower the manufacturing costs; (ii) the entering into the Consultancy Services Agreement would enable the Group to engage a professional institution to inspect and monitor the progress of the New Project; and (iii) the financing of the New Project by the Company in cash or new Shares would offer certain flexibility to the use of the Group's working capital.

Accordingly, the Board considers that it is in the interests of the Group to enter into the Construction Contract and the Consultancy Services Agreement. The Directors, including the independent non-executive Directors, consider that the Construction Contract and the Consultancy Services Agreement have been entered into on normal commercial terms and the terms of the Construction Contract and the Consultancy Services Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ABOUT THE CONSTRUCTOR

The Constructor is principally engaged in construction business in Malaysia.

To the best of the Directors' knowledge, information and having made all reasonable enquiries, the Constructor and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

INFORMATION ABOUT THE CONSULTANT

The Consultant is principally engaged in construction design, construction consulting, project services, equipment installation and new energy technology research and development.

To the best of the Directors' knowledge, information and having made all reasonable enquiries, the Consultant and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the manufacturing of solar ingots and wafers.

INFORMATION ABOUT COMTEC SOLAR (MALAYSIA)

Comtec Solar (Malaysia) is principally engaged in the manufacturing of solar ingots and wafers.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Comtec Solar Systems Group Limited (卡姆丹克太陽能系統集團有限公司), a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“Comtec Solar (Malaysia)”	Comtec Solar International (M) Sdn. Bhd., a limited liability company incorporated in Malaysia on 7 February 2013 and an indirect wholly-owned subsidiary of the Company
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Construction Contract”	a construction contract entered into between Comtec Solar (Malaysia) and the Constructor dated 26 June 2013 in relation to construction of new facilities in Malaysia
“Consultancy Services Agreement”	a consultancy services agreement entered into among the Company, Comtec Solar (Malaysia) and the Consultant dated 26 June 2013 in relation to certain consultancy services in connection with the Construction Contract
“Consultant”	上海瑪昂新能工程諮詢有限公司, a company established in the PRC with limited liabilities, which mainly engages in construction design and consulting services, and an Independent Third Party
“Constructor”	中國水電（馬來西亞）有限公司, a company established in the PRC with limited liabilities, which mainly engages in construction business in Malaysia, and an Independent Third Party
“Director(s)”	the directors of the Company
“General Mandate”	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 at such date)
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	Person(s) or company(ies) which is(are) not a connected person(s) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Project”	the construction of new facilities in Malaysia under the Construction Contract
“New Shares”	any new Shares of HK\$0.001 each to be issued by the Company to the Consultant under the General Mandate at its sole discretion, under the Consultancy Services Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall not include Hong Kong and Macau Special Administrative Region of the PRC and Taiwan
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the par value of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“%”	per cent

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

Shanghai, the People’s Republic of China, 26 June 2013

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.