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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)**

**Placing of existing shares held by Fonty,  
Subscription for new shares by Fonty  
and  
Resumption of trading**

**Placing Agent**



**元大證券(香港)有限公司**  
**Yuanta Securities (Hong Kong) Co., Ltd.**

**Sub-placing Agent**



**SBI E2-Capital (Securities) Limited**  
**軟庫金滙投資服務有限公司**

**Placing and Subscription Agreement**

On 9 September 2010, after trading hours, Fonty, Mr. Zhang, the Company and the Placing Agent entered into the Placing and Subscription Agreement. Pursuant to the Placing and Subscription Agreement, the Placing Agent agreed to place, on a best efforts basis, the Placing Shares held by Fonty to independent placees 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 100,000,000 Shares are issued by the Company and subscribed for by Fonty pursuant to the Subscription, the net proceeds to be received by the Company from the Subscription will amount to approximately HK\$222.2 million.

**Resumption of trading**

At the request of the Company, trading in the securities of the Company on the Stock Exchange was suspended from 9:30 a.m. on 10 September 2010 pending release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the securities of the Company with effect from 9:30 a.m. on 13 September 2010.

**I. PLACING AND SUBSCRIPTION AGREEMENT**

**Date**

9 September 2010 (after trading hours)

**Parties**

- (i) Fonty, a controlling shareholder of the Company;
- (ii) Mr. Zhang;
- (iii) the Company; and
- (iv) the Placing Agent (as placing agent of the Placing).

**A. Placing**

**Number of Placing Shares**

Up to 100,000,000 existing Shares owned by Fonty, representing (i) approximately 9.69% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.84% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Placing is conducted on a best-efforts basis by the Placing Agent.

## **Placing Price**

HK\$2.30 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 9.09% to the closing price of HK\$2.53 per Share quoted on the Stock Exchange on 9 September 2010, being the last trading day of the Shares immediately prior to and including the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 4.17% to the average closing price of the Shares of approximately HK\$2.40 per Share as quoted on the Stock Exchange from 3 September 2010 to 9 September 2010, both dates inclusive, being the last five trading days immediately prior to and including the date of this announcement; and
- (iii) a premium of approximately 1.32% to the average closing price of the Shares of approximately HK\$2.27 per Share as quoted on the Stock Exchange from 27 August 2010 to 9 September 2010, 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\$2.22.

*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.*

## **Placing Agent**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of and not connected with Fonty or any person acting in concert with it (as defined in the Takeovers Code). They are also independent of the Company and not connected persons (as defined in the Listing Rules) to the Company.

## **The Placees**

The Placing Agent has agreed to procure that there will be not less than six placees, being professional, institutional and/or other investors. The placees (and their beneficial owners) will be independent and not connected with Fonty or any person acting in concert with it (as defined in the Takeovers Code), and will also be independent of the Company and its connected persons (as defined in the Listing Rules). None of the placees will become a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Placing.

## **Rights**

The Placing Shares will be sold free of any encumbrances and third-party rights.

## **Completion of Placing**

Completion of the Placing is conditional upon 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 Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Placing.

Completion of the Placing shall take place on 15 September 2010 or such later date as Fonty and the Placing Agent shall agree.

## **B. Subscription**

### **Subscriber**

Fonty

### **Number of Subscription Shares**

Such number up to 100,000,000 new Shares as may be equivalent to the number of Placing Shares actually placed under the Placing, representing not more than (i) approximately 9.69% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.84% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

## **Subscription Price**

HK\$2.30 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\$2.30) 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\$2.22 per Subscription Share.

## **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 24 May 2010, which authorised the Directors to allot and issue up to 206,347,600 Shares (representing 20% of the issued share capital of the Company as at such date).

The general mandate has not been utilised prior to entering into the Placing and Subscription Agreement.

## **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 Rule 26 of the Takeovers Code.

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 23 September 2010. If the conditions are not fulfilled on or before 23 September 2010, the Company and the Vendor 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 Vendor.

### **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 23 September 2010.

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

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 ( <i>Note 2</i> )		Immediately after completion of the Placing and the Subscription ( <i>Note 2</i> )	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<b>Directors</b>						
Fonty and parties acting in concert with it ( <i>Notes 3, 4</i> )	663,867,550	64.34	563,867,550	54.65	663,867,550	58.66
Mr. Chau Kwok Keung	9,676,139	0.94	9,676,139	0.94	9,676,139	0.85

	At the date of this Announcement		Immediately after completion of the Placing but before the Subscription (Note 2)		Immediately after completion of the Placing and the Subscription (Note 2)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Public Shareholders</b>						
Placees	0	0.00	100,000,000	9.69	100,000,000	8.84
CMTF Private Equity One and parties acting in concert with it (Note 5)	70,603,203	6.84	70,603,203	6.84	70,603,203	6.24
Other public shareholders	<u>287,591,108</u>	<u>27.88</u>	<u>287,591,108</u>	<u>27.88</u>	<u>287,591,108</u>	<u>25.41</u>
<b>Total</b>	<u><u>1,031,738,000</u></u>	<u><u>100.00</u></u>	<u><u>1,031,738,000</u></u>	<u><u>100.00</u></u>	<u><u>1,131,738,000</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 completion of the Placing and the Subscription.*
- (2) *Assuming all the 100,000,000 Placing Shares are placed.*
- (3) *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.*
- (4) *As at the date of this announcement, Fonty, which is 100% beneficially owned by Mr. Zhang, held 564,037,844 Shares. For the purposes of the SFO, Mr. Zhang is also deemed to be interested in 99,829,706 Shares which are beneficially owned by Mr. Zhang, Mr. Zhang's spouse and child under the age of 18, as beneficiaries of JZ GRAT of 2009, which is an irrevocable grantor retained annuity trust set up by Mr. Zhang for the benefit of himself and his family members and of which J.P. Morgan Trust Company of Delaware is the trustee.*
- (5) *Pursuant to the Takeovers Code, each of China Merchants Securities Company Limited, China Merchants Securities International Company Limited, China Merchants Securities Investment Management (HK) Co., Limited, CMS Nominees (BVI) Limited, CMS Capital (HK) Co., Limited and CMTF Private Equity One are presumed to be acting in concert.*

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 broadening its shareholder and capital base.

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\$222.2 million. It is intended that 60% of the net proceeds (equivalent to approximately HK\$133.3 million) will be used to meet capital expenditure in connection with the Company's plan to expand the production capacity of the Group to 1,000 MW before the end of 2011 in response to the strong demand from customers of the Company while the remaining 40% (equivalent to approximately HK\$88.9 million) will be used as general working capital of the Group.

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

The shares of the Company were listed on the main board of the Hong Kong Stock Exchange on 30 October 2009 with net proceeds from the global offering of the Company of approximately HK\$526.3 million (after deducting underwriting commissions and related expenses).



The use of the net proceeds from the global offering up to the date of this announcement was as follows:

<b>Use</b>	<b>Percentage of net proceeds</b>	<b>Amount of net proceeds (in HK\$ million)</b>	<b>Amount utilised (in HK\$ million)</b>	<b>Amount remaining (in HK\$ million)</b>
Expansion of production capacity	50%	263.2	154.1	109.1
Purchase or prepay for polysilicon feedstock	40%	210.5	210.5	—
Research and development	5%	26.3	7.0	19.3
Working capital	<u>5%</u>	<u>26.3</u>	<u>26.3</u>	<u>—</u>
Total:	<u>100%</u>	<u>526.3</u>	<u>397.9</u>	<u>128.4</u>

The Directors intend to continue to apply the remaining net proceeds in the manner set out in the prospectus of the Company dated 19 October 2009.

Save as disclosed above, 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, SUSPENSION AND RESUMPTION OF TRADING**

Application(s) will be made to the Stock Exchange for the grant of listing of and permission to deal in the Subscription Shares. At the request of the Company, trading in the securities of the Company was suspended on the Stock Exchange from 9:30 a.m. on 10 September 2010 pending release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the securities of the Company with effect from 9:30 a.m. on 13 September 2010.

## VII. DEFINITIONS

“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 64.34% of the issued share capital of the Company under the SFO as at the date of this announcement
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing and Subscription Agreement
“Placing Agent”	Yuanta Securities (Hong Kong) Company Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities;
“Placing and Subscription Agreement”	the placing and subscription agreement dated 9 September 2010 entered into between Fonty, Mr. Zhang, the Company and the Placing Agents in relation to the Placing

“Placing Price”	HK\$2.30 per Placing Share
“Placing Shares”	up to 100,000,000 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
“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\$2.30 per Subscription Share
“Subscription Shares”	up to 100,000,000 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

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

Hong Kong, 10 September 2010

*As at the date of this announcement, the Directors of the Company are Mr. John ZHANG, Mr. CHAU Kwok Keung and Mr. SHI Cheng Qi as executive Directors, Mr. Mr. Chun Shing Vincent PHEN as non-executive Director, and Mr. Daniel DeWitt MARTIN, Mr. Kang SUN and Mr. LEUNG Ming Shu as independent non-executive Directors.*