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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 8 July 2016, 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\$0.46 per Subscription Share.

The Subscriber (or a company wholly-owned and designated by the Subscriber) will subscribe for 154,651,306 Subscription Shares, representing (i) approximately 11.1% of the existing issued share capital of the Company, and (ii) approximately 10.0% 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; and (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).

GENERAL

The net proceeds from the Subscription (after deducting related professional fees and related expenses) are expected to be approximately HK\$70.4 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 8 July 2016, 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\$0.46 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

Date

8 July 2016

Parties to the Subscription Agreement

Issuer: the Company

Subscriber: the Subscriber, an independent third party

Subscription Shares

The Subscriber will subscribe for, or will procure a company wholly-owned and designated by the Subscriber to subscribe for, 154,651,306 Subscription Shares, representing (i) approximately 11.1% of the existing issued share capital of the Company, and (ii) approximately 10.0% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The Subscription Price of HK\$0.46 per Subscription Share was arrived at after arm's length negotiation between the Company and the Subscriber based on a 9.8% discount to the closing price of the Shares on the last trading day before the date of the Subscription Agreement.

The Subscription Price represents:

- (i) a discount of approximately 9.8% to the closing price of HK\$0.51 per Share as quoted on the Stock Exchange on 7 July 2016, being the last trading day before the date of the Subscription Agreement;
- (ii) a discount of approximately 8.2% to the average closing price of HK\$0.501 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to 7 July 2016; and
- (iii) a discount of approximately 8.1% to the average closing price of HK\$0.5005 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to 7 July 2016.

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; and
- (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).

Completion

Completion of the Subscription will take place on the Completion Date, which shall be the later of the following dates: (i) the first Business Day after the date upon which the last of the Conditions Precedent to be satisfied shall have been so satisfied; and (ii) the first Business Day after such day which is the earlier of (a) the date on which the Subscriber serves notice to the Company and designates its wholly-owned subsidiary to subscribe for the Subscription Shares and (b) the fortieth (40th) Business Day after the date of the Subscription Agreement (the “**Subsidiary Subscription Notice Day**”), provided that the Completion shall take place on a date no later than the tenth (10th) Business Day after the Subsidiary Subscription Notice Day (or such other time and/or date as the Company and the Subscriber may agree in writing).

The Subscriber currently intends that it will designate a wholly-owned subsidiary to be incorporated in Hong Kong to subscribe for the Subscription Share and expects that it will complete the set up of the wholly-owned subsidiary and obtain all relevant approvals within 40 Business Days.

If the Completion does not take place on or before 20 September 2016 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.

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 provision of processing services for solar products.

The Subscriber is a company incorporated in the PRC with limited liability and a professional investor primarily focused on investment in energy internet, distributed generation energy and smart energy.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is an independent third party.

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\$70.4 million, representing approximately a net subscription price of HK\$0.45. 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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not raised any fund on any issue of equity securities 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	%
Mr. Zhang (<i>Note 2</i>)	624,283,550	44.85	624,283,550	40.37
The Subscriber (or a company wholly-owned and designated by the Subscriber)	—	—	154,651,306	10.00
Public shareholders	<u>767,578,200</u>	<u>55.15</u>	<u>767,578,200</u>	<u>49.63</u>
Total	<u>1,391,861,750</u>	<u>100.00</u>	<u>1,546,513,056</u>	<u>100.00</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 278,372,350 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate and the 154,651,306 Subscription Shares amount to approximately 55.6% 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 23 May 2016
“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;
“Mr. Zhang”	Mr. John Yi Zhang, an executive Director and a substantial Shareholder which is interested in 624,283,550 Shares, representing approximately 44.85% 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”	Shanghai Hengqu Internet Technology Co., Ltd.* (上海恒渠互聯網絡科技有限公司), a company incorporated in the PRC with limited liability;
“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 8 July 2016 entered into between the Company and the Subscriber;
“Subscription Price”	HK\$0.46 per Subscription Share;
“Subscription Shares”	the 154,651,306 Shares to be allotted and issued by the Company for subscription by the Subscriber (or a company wholly-owned and designated 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, 8 July 2016

As at the date of this announcement, the executive Directors are Mr. John Zhang and Mr. Chau Kwok Keung, 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.