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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)

DISCLOSEABLE TRANSACTION

**DISPOSALS OF THE ENTIRE EQUITY INTERESTS IN TWO
WHOLLY-OWNED SUBSIDIARIES BY COMTEC CLEAN ENERGY**

THE PROPOSED DISPOSALS

On 2 October 2018 (after trading hours), (i) Comtec Clean Energy, Future Energy Capital (Wuxi) and Wuxi Comtec (Jianyuan) entered into the Jianyuan Equity Transfer Agreement, pursuant to which Comtec Clean Energy will dispose of the entire issued share capital of Wuxi Comtec (Jianyuan) at the Jianyuan Consideration of approximately RMB2.6 million to Future Energy Capital (Wuxi) and (ii) Comtec Clean Energy, Future Energy Capital (Wuxi) and Wuxi Comtec (Tianhan) entered into the Tianhan Equity Transfer Agreement, pursuant to which Comtec Clean Energy disposed of the entire issued share capital of Wuxi Comtec (Tianhan) at the Tianhan Consideration of approximately RMB3.7 million to Future Energy Capital (Wuxi).

Immediately after Completion of the Proposed Disposals, each of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan) will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan) will no longer be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

As the purchaser in the February 2018 Disposal was Future Energy Capital, and the purchaser in the Proposed Disposals is Future Energy Capital (Wuxi), a wholly-owned subsidiary of Future Energy Capital, in both cases and the February 2018 Disposal and the Proposed Disposals are conducted within 12 months, the Proposed Disposals are aggregated with the February 2018 Disposal for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, as one or more of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5% but none of the applicable percentage ratio exceeds 25%, the Proposed Disposals constitute a discloseable transaction for the Company and accordingly, are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

As completion of each of the Equity Transfer Agreements is subject to the fulfilment of certain Closing Conditions under each of the Equity Transfer Agreements and the Proposed Disposals may or may not proceed, Shareholders and potential investors of the Company are urged to exercise caution when dealing in the Shares.

THE FEBRUARY 2018 DISPOSAL

On 14 February 2018, Comtec Renewable Energy entered into an equity transfer agreement with, Future Energy Capital (the parent company of Future Energy Capital (Wuxi)) and Sunny Mega, pursuant to which Comtec Renewable Energy disposed of the entire equity interests of Sunny Mega at an aggregate consideration of approximately RMB4.5 million to Future Energy Capital.

THE PROPOSED DISPOSALS

On 2 October 2018 (after trading hours), (i) Comtec Clean Energy, Future Energy Capital (Wuxi) and Wuxi Comtec (Jianyuan) entered into the Jianyuan Equity Transfer Agreement, pursuant to which Comtec Clean Energy will dispose of the entire issued share capital of Wuxi Comtec (Jianyuan) at the Jianyuan Consideration of approximately RMB2.6 million to Future Energy Capital (Wuxi) and (ii) Comtec Clean Energy, Future Energy Capital (Wuxi) and Wuxi Comtec (Tianhan) entered into the Tianhan Equity Transfer Agreement, pursuant to which Comtec Clean Energy disposed of the entire issued share capital of Wuxi Comtec (Tianhan) at the Tianhan Consideration of approximately RMB3.7 million to Future Energy Capital (Wuxi).

Prior to the Proposed Disposals, Comtec Clean Energy holds 100% of the issued share capital of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan). Future Energy Capital (Wuxi) is wholly-owned by Future Energy Capital, a co-investment vehicle owned as to 50% by Comtec Renewable Energy and as to 50% by Macquarie.

(1) JIANYUAN EQUITY TRANSFER AGREEMENT

Date:

2 October 2018

Parties:

- (1) Comtec Clean Energy as the vendor;
- (2) Future Energy Capital (Wuxi) as the purchaser; and
- (3) Wuxi Comtec (Jianyuan), the disposal company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of Macquarie and its ultimate beneficial owners is a third party independent of each of the Company and its connected persons.

Assets to be Disposed of:

Pursuant to the Jianyuan Equity Transfer Agreement, the assets to be transferred from Comtec Clean Energy to Future Energy Capital (Wuxi) is the entire equity interest of Comtec Clean Energy in Wuxi Comtec (Jianyuan). Wuxi Comtec (Jianyuan), through its wholly-owned project company, is primarily engaged in the investment and development, construction and operation of a 1.1 MW distributed generation solar project (the “**DG Solar Project A**”).

The consolidated net asset value of Wuxi Comtec (Jianyuan) was approximately RMB3.2 million as at 30 June 2018.

The Jianyuan Consideration:

The Jianyuan Consideration payable by Future Energy Capital (Wuxi) shall be approximately RMB2.6 million, which is determined after arm's length negotiation between the parties with reference to the paid-in capital of Wuxi Comtec (Jianyuan) of approximately RMB2.7 million as of 30 June 2018.

Subject to satisfaction of the terms and conditions of this Agreement, including but not limited to the Closing Conditions, Future Energy Capital (Wuxi) shall pay Comtec Clean Energy the Jianyuan Consideration by wire transfer to the bank account designated by Comtec Clean Energy in writing within 10 Business Days following the Closing Date.

(2) TIANHAN EQUITY TRANSFER AGREEMENT

Date:

2 October 2018

Parties:

- (1) Comtec Clean Energy as the vendor;
- (2) Future Energy Capital (Wuxi) as the purchaser; and
- (3) Wuxi Comtec (Tianhan), the disposal company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of Macquarie and its ultimate beneficial owners is a third party independent of each of the Company and its connected persons.

Assets to be Disposed of:

Pursuant to the Tianhan Equity Transfer Agreement, the assets to be transferred from Comtec Clean Energy to Future Energy Capital (Wuxi) is the entire equity interest of Comtec Clean Energy in Wuxi Comtec (Tianhan). Wuxi Comtec (Tianhan), through its wholly-owned project company, is primarily engaged in the investment and development, construction and operation of a 1.9 MW distributed generation solar project (the “**DG Solar Project B**”).

The net asset value of Wuxi Comtec (Tianhan) was approximately RMB4.3 million as at 30 June 2018.

The Tianhan Consideration:

The Tianhan Consideration payable by Future Energy Capital (Wuxi) shall be approximately RMB3.7 million, which is determined after arm's length negotiation between the parties with reference to the paid-in capital of Wuxi Comtec (Tianhan) of approximately RMB3.9 million as of 30 June 2018.

Subject to satisfaction of the terms and conditions of this Agreement, including but not limited to the Closing Conditions, Future Energy Capital (Wuxi) shall pay Comtec Clean Energy the Tianhan Consideration by wire transfer to the bank account designated by Comtec Clean Energy in writing within 10 Business Days following the Closing Date.

CLOSING CONDITIONS OF THE PROPOSED DISPOSALS

Each of the Equity Transfer Agreements is subject to the following Closing Conditions:

- (1) All Transaction Documents shall have been duly entered into between relevant parties or issued by the relevant party and become effective.
- (2) The satisfactory due diligence under relevant power purchase agreement and rooftop owner shall be completed on the DG solar project.
- (3) All written corporate approvals and authorizations for signing the Transaction Documents and consummating the proposed disposal by each of the parties shall have been obtained.
- (4) All consents that are required in connection with the proposed disposal shall have been duly obtained and shall continue to be in full force and effect as of, at and following the Closing Date.
- (5) In case any agreements related to the business of the disposal company are entered into by the Comtec Clean Energy's affiliates for the benefit of the disposal company, Comtec Clean Energy shall have caused such affiliates to assign all of such affiliates' rights under the aforementioned agreements to the disposal company.
- (6) Macquarie Projects which has established a team of in-house engineers and technicians ("**Macquarie Projects team**") for Macquarie, to be appointed by the Project Company to provide project development, construction management and operations management support and advices on DG Solar projects.
- (7) The project company has put in place the necessary financing facility for the DG solar project it operates.
- (8) The agreements necessary to commence and maintain the ordinary operation of the DG solar project shall have been duly executed, and are in full force and effect as of, at and following the Closing Date.
- (9) The representations and warranties given by each of the parties shall be true, accurate and complete as of, at and following the Closing Date.
- (10) No action, claim or proceeding shall have been commenced or threatened by or before any Governmental Authority against the parties hereto, seeking to restrain the consummation of the proposed disposal.
- (11) There shall be no occurrence, and no reasonable expectation of the occurrence, of any matter or event arising after the Effective Date which has a material adverse effect.
- (12) All encumbrances on the assets owned by the disposal company or otherwise used in its business shall have been released and discharged.
- (13) Comtec Renewable Energy and Macquarie have achieved closing of relevant follow-on subscription for the purpose of injecting funds into Future Energy Capital (Wuxi) to invest in the DG solar project.

- (14) Company shall pay back intercompany advance due to the project company.
- (15) All Macquarie Projects' improvements as prescribed in the equity transfer agreement shall be completed in accordance to Macquarie's standards and passed satisfactory inspection.
- (16) The setup of Future Energy Capital (Wuxi) must be completed before the acquisition can take place.

COMPLETION OF THE PROPOSED DISPOSALS

Completion shall take place on or prior to the 5th Business Day following the satisfaction of the Closing Conditions and submission of all the application documents as set out in each of the Equity Transfer Agreements.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSALS

Since September 2016, the Group commenced expansion into the business of downstream solar project development, which the Directors believe would diversify the business of the Group and drive the continued growth of the Group. The Proposed Disposals are part of the Group's strategy in developing and expanding downstream solar business whereby the Group will; (1) strengthen its track record in building high quality solar project portfolio; (2) broaden its access to institutional investors through Macquarie. In addition, despite that the Proposed Disposals may result in a relatively small loss on disposal in the current financial year, as they will facilitate continued development and expansion of Wuxi Comtec (Jianyuan), Wuxi Comtec (Tianhan) and Future Energy Capital, the Directors believe the introduction of Macquarie in the investment of these two companies and enhancement of project portfolio of Future Energy Capital by way of the Proposed Disposals will generate positive return to the Company in the long-run.

Thus, the Board considers that the Equity Transfer Agreements and the Proposed Disposals contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

EFFECT OF THE PROPOSED DISPOSALS

Immediately after Completion of the Proposed Disposals, each of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan) will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan) will no longer be consolidated into the Group's financial statements.

For illustrative purposes, there is an estimated loss on disposal of Wuxi Comtec (Jianyuan) of approximately RMB0.6 million arising out of the Proposed Disposal based on the consideration for the transaction of RMB2.6 million and the net book value of RMB3.2 million. For the disposal of Wuxi Comtec (Tianhan), the expected estimate loss on disposal of approximately RMB0.6 million arising out of the Proposed Disposal based on the consideration of the transaction of RMB3.7 million and the net book value of RMB4.3 million.

The proceeds from the Proposed Disposals will be used for general working capital, further development of high quality DG solar projects and any investment opportunities identified in future.

INFORMATION ABOUT THE PARTIES

Information about the Group

The Group is principally engaged in the research, production and sales of efficient monocrystalline products and investment, development, construction, operation of the solar photovoltaic power stations. The Group is also engaged in the research and development, design, integration and sales of lithium battery management systems and lithium battery systems for electric vehicles (including electric cars, electric motors and electric bicycles) to electric vehicle manufacturers and for power storage systems to lithium battery manufacturers and for power storage companies.

Information about the assets to be disposed of

Wuxi Comtec (Jianyuan) and its subsidiary are primarily engaged in the development, construction, commissioning and operation of DG Solar Project A in the PRC.

Wuxi Comtec (Tianhan) and its subsidiary are primarily engaged in the development, construction, commissioning and operation of DG Solar Project B in the PRC.

After completion of the Equity Transfer Agreements, Future Energy Capital (Wuxi) will become the beneficial owner of the entire issued share capital of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan). Accordingly, Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan) will cease to be subsidiaries of the Company.

As at the date of this announcement, other than the project companies, Wuxi Comtec (Tianhan) and Wuxi Comtec (Jianyuan) do not have any other material assets.

Based on the unaudited financial statements of Wuxi Comtec (Jianyuan), the net asset value of Wuxi Comtec (Jianyuan) was approximately RMB3.2 million as at 30 June 2018.

Set out below is the unaudited financial statements of Wuxi Comtec (Jianyuan) for the two financial years ended 31 December 2016 and 2017:

	For the year ended 31 December 2016 RMB (unaudited)	For the year ended 31 December 2017 RMB (unaudited)
Net profit before tax	Nil	353,733
Net profit after tax	Nil	353,733

Based on the unaudited financial statements of Wuxi Comtec (Tianhan), the net asset value of Wuxi Comtec (Tianhan) was approximately RMB4.3 million as at 30 June 2018.

Set out below is a summary of the unaudited financial statements of Wuxi Comtec (Tianhan) for the two financial years ended 31 December 2016 and 2017:

	For the year ended 31 December 2016 RMB (unaudited)	For the year ended 31 December 2017 RMB (unaudited)
Net profit before tax	Nil	108,105
Net profit after tax	Nil	108,105

Information about Future Energy Capital (Wuxi)

Future Energy Capital (Wuxi) is a company duly incorporated in PRC. Future Energy Capital (Wuxi) is mainly engaged in the investment, development, construction, operation of the solar photovoltaic power stations.

LISTING RULES IMPLICATIONS

As the purchaser in the February 2018 Disposal was Future Energy Capital, and the purchaser in the Proposed Disposals is Future Energy Capital (Wuxi), a wholly-owned subsidiary of Future Energy Capital, in both cases, and the February 2018 Disposal and the Proposed Disposals are conducted within 12 months, the Proposed Disposals are required to be aggregated with the February 2018 Disposal for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, as one or more of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5% but none of the applicable percentage ratio exceeds 25%, the Proposed Disposals constitute a discloseable transaction for the Company and accordingly, are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors;
“Closing Conditions”	the closing conditions to the Completion of the Proposed Disposals as set out in the section headed “Closing Conditions of the Proposed Disposals” of this announcement;
“Closing Date”	on or prior to the 5th Business Days following the satisfaction of all Closing Conditions;
“Company”	Comtec Solar Systems Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;

“Completion”	completion of the Proposed Disposals;
“Comtec Clean Energy”	Comtec Clean Energy Group Limited, a company duly incorporated in PRC with its registered office at Room 2008, Building 3, No. 311 Yanxin Road, Huishan Economic Development District, Wuxi, Jiangsu province, China and a wholly-owned subsidiary of Comtec Renewable Energy;
“Comtec Renewable Energy”	Comtec Renewable Energy Group Limited, a company duly incorporated in Hong Kong with its registered office at Room 33, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and a wholly-owned subsidiary of the Company;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date on which the parties duly executed the Equity Transfer Documents;
“Equity Transfer Agreements”	the Jianyuan Equity Transfer Agreement and the Tianhan Equity Transfer Agreement;
“February 2018 Disposal”	the disposal of the entire equity interests of Sunny Mega by Comtec Renewable Energy to Future Energy Capital pursuant to a share transfer agreement dated 14 February 2018;
“Future Energy Capital (Wuxi)”	Future Energy Capital (Wuxi) Co., Ltd, a company duly incorporated in PRC and a wholly-owned subsidiary of Future Energy Capital;
“Future Energy Capital”	Future Energy Capital Group Limited (company number 1945283), a company incorporated in the British Virgin Islands with registered address at Sea Meadow House, Blackburne Highway, (P.O. Box 116), Road Town, Tortola, British Virgin Islands, and a co-investment vehicle established by Comtec Renewable Energy Group Limited (company number 2382759) and Macquarie;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	person or company who or which is not a connected person of the Company;
“Jianyuan Consideration”	the aggregate consideration for the purchase of the entire equity interest of Wuxi Comtec (Jianyuan) pursuant to the Jianyuan Equity Transfer Agreement;

“Jianyuan Equity Transfer Agreement”	the equity transfer agreement dated 2 October 2018 entered into among Comtec Clean Energy, Future Energy Capital (Wuxi) and Wuxi Comtec (Jianyuan) relating to the entire issued share capital of Wuxi Comtec (Jianyuan);
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange;
“Macquarie”	Macquarie Corporate Holdings Pty Limited, a company incorporated and existing under the laws of Australia with its registered office at Macquarie Bank Limited, Level 6, 50 Martin Place, Sydney NSW 2000;
“Macquarie Projects”	Macquarie Investment Advisory (Beijing) Co., Ltd, Shanghai Branch, a subsidiary of Macquarie incorporated and existing under the laws of People’s Republic of China;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Disposals”	the disposal of the entire equity interests of Wuxi Comtec (Jianyuan) and Wuxi Comtec (Tianhan) by Comtec Clean Energy to Future Energy Capital (Wuxi);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sunny Mega”	Sunny Mega Limited, a company duly incorporated in the British Virgin Islands, with its registered office at Sea Meadow House, Blackburne Highway, (P.O. Box 116), Road Town, Tortola, British Virgin Islands;
“Tianhan Consideration”	the aggregate consideration for the purchase of the entire equity interest of Wuxi Comtec (Tianhan) pursuant to the Tianhan Equity Transfer Agreement;
“Tianhan Equity Transfer Agreement”	The equity transfer agreement dated 2 October 2018 entered into among Comtec Clean Energy, Future Energy Capital (Wuxi) and Wuxi Comtec (Tianhan) relating to the entire issued share capital of Wuxi Comtec (Tianhan);
“Transaction Documents”	any and all agreements, contracts, instruments, memoranda, certificates or other documents executed for or in relation to the Proposed Disposals contemplated in the Equity Transfer Agreements;

“Wuxi Comtec (Jianyuan)”	Wuxi Comtec Jianyuan PV Co., Ltd (the “ Company ”), a company duly incorporated in PRC, with its registered office at Room 2015, Building 3, No. 311 Yanxin Road, Huishan Economic Development District, Wuxi, Jiangsu Province, China, and a wholly owned subsidiary of Comtec Clean Energy;
“Wuxi Comtec (Tianhan)”	Wuxi Comtec Tianhan PV Co., Ltd, a company duly incorporated in PRC, with its registered office at Room 2001-2, Building 3, No. 311 Yanxin Road, Huishan Economic Development District, Wuxi, Jiangsu Province, China, and a wholly owned subsidiary of Comtec Clean Energy;
“%”	per cent.

* *For reference purpose only, the English names of these companies, persons or documents are only a translation of their respective Chinese names. In the event of any discrepancies between the Chinese names and their respective English translations, the Chinese version shall prevail.*

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

Shanghai, the People’s Republic of China, 2 October 2018

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 Director is Mr. Wang Yixin, and the independent non-executive Directors are Mr. Leung Ming Shu, Mr. Kang Sun and Mr. Xu Erming.