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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
SHAREHOLDERS' AGREEMENT
IN RELATION TO FORMATION OF CO-INVESTMENT VEHICLE WITH
MACQUARIE CAPITAL**

SHAREHOLDERS' AGREEMENT IN RELATION TO FORMATION OF CO-INVESTMENT VEHICLE WITH MACQUARIE CAPITAL

The Board is pleased to announce that, on 18 September 2017 (after trading hours of the Stock Exchange), Comtec Renewable Energy, a wholly-owned subsidiary of the Company, and Macquarie Capital entered into the Shareholders' Agreement, pursuant to which Comtec Renewable Energy and Macquarie Capital agreed to form the Co-Investment Vehicle for the purpose of developing and expanding downstream solar business. The Co-Investment Vehicle will be owned as to 50% by Comtec Renewable Energy and 50% by Macquarie Capital, respectively, and the total subscription amount to be paid by each party for the Transaction will be up to a maximum of US\$5 million.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceeds 5% but all of the applicable percentage ratios do not exceed 25%, the Shareholders' Agreement and the Transaction contemplated thereunder constitute discloseable transaction for the Company and are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

Shareholders of the Company and potential investors are urged to exercise caution when dealing in the shares of the Company.

SHAREHOLDERS' AGREEMENT IN RELATION TO FORMATION OF CO-INVESTMENT VEHICLE WITH MACQUARIE CAPITAL

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The material terms of the Shareholders' Agreement are summarised as below:

Date	18 September 2017
Parties	(1) Comtec Renewable Energy, a wholly-owned subsidiary of the Company; and (2) Macquarie Capital, an independent third party.
Subscription of shares and Funding Commitment	<p>Comtec Renewable Energy and Macquarie Capital will each subscribe for the same number of ordinary shares of the Co-Investment Vehicle at the same subscription price. The total subscription amount to be paid by each party shall be up to a maximum of US\$5 million, which is determined based on the expected investment to the DG Solar Projects. The Co-Investment Vehicle will further establish certain Project Companies for the purpose of holding distributed solar assets on a project by project basis.</p> <p>Comtec Renewable Energy and Macquarie Capital shall contribute and subscribe for ordinary shares in equal proportion in each project phase.</p>
Board Composition	<p>The number of the directors of the Co-Investment Vehicle will be limited to six and each of Comtec Renewable Energy and Macquarie Capital shall be entitled to nominate, remove and replace three directors. Comtec Renewable Energy will nominate Mr. John Yi Zhang, Mr. Zhang Zhen and Mr. Chau Kwok Keung as the directors of the Co-Investment Vehicle.</p>
Use or Proceeds	<p>All proceeds of the Transaction will be applied towards funding the development, project management and construction of distributed solar generated power projects in the PRC with an aggregate capacity of 30–40 Megawatts.</p>

Right of First Refusal	If any Co-Investment Vehicle Shareholder (the “ Transferee Shareholder ”) seeks to transfer any or all of its shares in the Co-Investment Vehicle (the “ Sale Shares ”), the Transferring Shareholder must first offer the Sale Shares to the other Co-Investment Vehicle Shareholder under standard pre-emption terms for consideration.
New Shares Issues	Each Co-Investment Vehicle Shareholder will have customary pro-rata rights to maintain their proportionate shareholdings in the Co-Investment Vehicle in the event of issues of further securities. In the event that any Co-Investment Vehicle Shareholder does not exercise this right within a prescribed timeframe, the other Co-Investment Vehicle Shareholder may subscribe for the unsubscribed portion.
Tag-along Right	If any Co-Investment Vehicle Shareholder agrees to transfer any shares, whether to another Co-Investment Vehicle Shareholder or any other person, the Transferring Shareholder(s) must procure that the transferee makes a tag-along offer whereby it offers to purchase on the same terms from each Co-Investment Vehicle Shareholder the pro-rata portion of the number of shares proposed to be sold.
Drag-along Right	If Macquarie Capital agrees to transfer all of its shares at a price that is at least equal to fair market value for those shares, then the remaining Co-Investment Vehicle Shareholder must, if so required by Macquarie Capital, sell all of their shares to the transferee at the sale price agreed by Macquarie Capital and otherwise on the same terms, which shall be customary for the exercise of such drag-along rights, including Macquarie Capital and Comtec Renewable Energy giving standard business representations and warranties, and shall further be subject to the conditions that (i) Comtec Renewable Energy’s equity holdings cannot be sold at lower than book value; and (ii) the exit must be to a bona fide purchaser on arm’s length terms.
Exit	The parties intend to jointly exit the Project Company(ies) once the projects are operational, by way of a sale of Project Company(ies), sale of underlying projects or sale of the Co-Investment Vehicle.
Right of First Refusal of the New Business Opportunities	Once Comtec Renewable Energy identifies any new business opportunities in relation to the DG Solar Projects, it shall first offer such new business opportunities to the Co-Investment Vehicle by giving written notice specifying information regarding such opportunities to the board of the Co-Investment Vehicle. If certain directors of the Co-Investment Vehicle fail to response to Comtec Renewable Energy or decide not to take such opportunities within a specified timeframe, Comtec Renewable Energy shall then be permitted to offer such new business opportunity to third parties or elect to undertake the opportunity itself.

Dividend

The Co-Investment Vehicle and Comtec Renewable Energy shall procure that each Project Company will distribute an appropriate amount of profits available for distribution under applicable laws in respect of each financial year.

Conditions precedent

The obligations to pay the consideration for the initial subscription are subject to the fulfillment, amongst others, of the following conditions:

- (a) completion of full due diligence by Macquarie Capital, its legal counsel and advisers to the satisfaction of Macquarie Capital;
- (b) Macquarie Capital obtaining its final internal approval;
- (c) the signing of constitutional documentation of the Co-Investment Vehicle to the satisfaction of the parties; and
- (d) obtaining the necessary approvals from the competent government authorities (if any).

REASONS FOR AND BENEFITS OF THE TRANSACTION

Since September 2016, the Group commenced to expand into the business of downstream solar project development, which the Directors believe would diversify the business of the Group and fuel the growth of the Group. The Shareholders' Agreement marks the Group's continuous efforts to develop and expand downstream solar business with a view to creating synergy through integration of the downstream solar business with the Group's existing upstream solar business. In addition, the cooperation with Macquarie Capital will broaden the Group's strategic cooperation with international financial institutions, which strengthens and improves the financial resources of the Group. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the Shareholders' Agreement is in the best interest of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the research, production and sales of efficient mono-crystalline products and the investment, development, construction and operation of the solar photovoltaic power stations. Comtec Renewable Energy is a wholly-owned subsidiary of the Group which is mainly engaged in the downstream solar business.

INFORMATION ON MACQUARIE CAPITAL

Macquarie Capital is a subsidiary of Macquarie Group. Macquarie Group is a global diversified financial group. It acts primarily as an investment intermediary for institutional, corporate and retail clients and counterparties around the world. Macquarie Capital is the holding company of the Macquarie Capital business group, the corporate advisory, capital markets and principal investing arm of the Macquarie Group.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Macquarie Capital and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER LISTING RULES

As one of the applicable percentage ratios exceeds 5% but all of the applicable percentage ratios do not exceed 25%, the Shareholders' Agreement and the Transaction contemplated thereunder constitute discloseable transaction for the Company and are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

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DEFINITIONS

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

“Board”	the board of Directors;
“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;
“Co-Investment Vehicle”	the Co-Investment Vehicle to be incorporated as contemplated under the Shareholders' Agreement, which will be owned as to 50% by Comtec Renewable Energy and 50% by Macquarie Capital, respectively;
“Co-Investment Vehicle Shareholder”	Comtec Renewable Energy and/or Macquarie Capital;
“Comtec Renewable Energy”	Comtec Renewable Energy Group Limited, a wholly-owned subsidiary of the Group;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“DG Solar Projects”	any person, operation or project that derives more than 80% of its revenue from the sale of distributed solar generated power in the PRC;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	person or company who or which is not a connected person of the Company;

“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange;
“Macquarie Capital”	Macquarie Corporate Holdings Pty Limited;
“Macquarie Group”	Macquarie Group Limited, a company listed on the Australian Securities Exchange (ASX:MQG; ADR: MQBKY);
“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;
“Project Company(ies)”	the project company(ies) to be established by the Co-Investment Vehicle for the purpose of holding one or multiple distributed solar assets on a project by project basis;
“RMB”	Renminbi, the lawful currency of PRC;
“Shareholder(s)”	holder(s) of the Share(s);
“Shareholders’ Agreement”	the shareholders’ agreement entered into by and between Comtec Renewable Energy and Macquarie Capital on 18 September 2017;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Shareholders’ Agreement;
“%”	per cent.

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

Hong Kong, 18 September 2017

As at the date of this announcement, the executive Directors are Mr. John Yi Zhang, Mr. Zheng 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.