

<b>THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION</b>
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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Comtec Solar Systems Group Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT OF  
SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A Notice convening the Annual General Meeting of Comtec Solar Systems Group Limited to be held at Unit A, 10/F, Two Chinachem Plaza, 135 Des Voeux Road Central, Hong Kong at 10:00 a.m. on Friday, 30 May 2014 is set out on pages 19 to 23 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

28 April 2014

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2013 Annual Report”	the annual report of the Company for the financial year ended 31 December 2013 dispatched to the Shareholders
“Annual General Meeting”	the annual general meeting of the Company to be held at Unit A, 10/F, Two Chinachem Plaza, 135 Des Voeux Road Central, Hong Kong at 10:00 a.m. on Friday, 30 May 2014 or any adjournment thereof
“Articles”	the articles of association of the Company adopted on 2 October 2009 and as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Comtec Solar Systems Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	the controlling shareholders (as defined in the Listing Rules) of the Company, namely, Mr. John Zhang and Fonty Holdings Limited
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate nominal value of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

## DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	23 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting as set out on pages 19 to 23 of this circular
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit so that the Company may grant new options to subscribe for new Shares representing in aggregate up to 10% of its issued share capital as at the date of the Annual General Meeting
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme, which may be refreshed pursuant to the rules of the Share Option Scheme but shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders

## DEFINITIONS

“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme currently in force and adopted by the Company on 2 October 2009, as effective upon the listing of the Shares of the Company on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percent.

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. John Zhang  
*(Chairman and Chief Executive Officer)*  
Mr. Chau Kwok Keung  
Mr. Shi Cheng Qi

*Non-executive Director:*

Mr. Donald Huang

*Independent non-executive Directors:*

Mr. Leung Ming Shu  
Mr. Kang Sun  
Mr. Daniel DeWitt Martin

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

Suite 28  
35/F Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

28 April 2014

*To the Shareholders,*

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT OF  
SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate (collectively the “Mandates”), the re-election of the retiring Directors and the Proposed Refreshment of Scheme Mandate Limit of Share Option Scheme and to seek your approval of the resolutions to these matters at the Annual General Meeting.

## **LETTER FROM THE BOARD**

### **ISSUE MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a total of 1,391,561,750 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 278,312,350 Shares.

### **REPURCHASE MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting. Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 139,156,175 Shares.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

### **EXTENSION MANDATE**

In addition, an ordinary resolution will also be proposed at the Annual General Meeting to extend the Issue Mandate by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders of the Company in a general meeting prior to the next annual general meeting of the Company.

### **THE ANNUAL GENERAL MEETING**

The Notice of the Annual General Meeting is set out on pages 19 to 23 of this circular.

## **LETTER FROM THE BOARD**

The 2013 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2013 and the reports of the Directors and the auditors thereon has been dispatched to the Shareholders.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

### **RE-ELECTION OF DIRECTORS**

According to Article 84 of the Articles, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

As such, Mr. Chau Kwok Keung, Mr. Shi Chengqi and Mr. Daniel DeWitt Martin will retire, being eligible, offer themselves for re-election. Particulars of each of them are set out in Appendix II of this circular.

### **PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR**

Article 85 of the Articles provides that:

"No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting."

For the purpose of the Articles:

- (i) "Member" means a duly registered holder from time to time of the shares in the capital of the Company;



## LETTER FROM THE BOARD

- (ii) “Notice” means written notice unless otherwise specifically stated and as further defined in the Articles of Association; and
- (iii) “Registration Office” means, in respect of any class of share capital, such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the secretary of the Company, namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice signed by the nominated candidate of the candidate’s willingness to be appointed together with (A) that candidate’s information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading “Required information of the candidate(s) nominated by Shareholders”, and (B) the candidate’s written consent to the publication of his/her personal data.

### **Required information of the candidate(s) nominated by Shareholders**

In order to enable Shareholders to make an informed decision on their election of Directors, the above described notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate(s):

- (a) full name and age;
- (b) positions held with the Company and its subsidiaries (if any);
- (c) experience including (i) other directorships held in the past three years in public companies of which the securities are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- (e) length or proposed length of service with the Company;
- (f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- (g) interests in shares of HK\$0.001 each of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or an appropriate negative statement;

## LETTER FROM THE BOARD

- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution at the general meeting.

### **PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

#### **Background of the Scheme Mandate Limit and Reason for the Proposed Refreshment**

The Share Option Scheme was approved and adopted by the Shareholders of the Company at the shareholders' meeting held on 2 October 2009, as effective upon the listing of the Shares of the Company on the Stock Exchange. As at the Latest Practicable Date, the Scheme Mandate Limit of the Share Option Scheme is 100,000,000 Shares, being 10% of the Shares in issue upon the listing of the Company. Such Scheme Mandate Limit has never been refreshed since the adoption of the Share Option Scheme. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

#### **Rules of the Share Option Scheme on Scheme Mandate Limit**

Pursuant to the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not exceed 10% of the Shares in issue as at the date of approval and adoption of the Share Option Scheme.

The Company may at any time as the Board may think fit seek approval from the Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other scheme shall not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of the Company if this will result in such 30% limit being exceeded.

## LETTER FROM THE BOARD

### Proposed Refreshment

If the Proposed Refreshment is approved at the Annual General Meeting, based on the 1,391,561,750 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the Annual General Meeting, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company will be 139,156,175 Shares, being 10% of the Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, there were a total of 69,702,000 outstanding share options granted under the Share Option Scheme since the adoption of the Share Option Scheme, if exercised, representing approximately 5.01% of the issued share capital of the Company as at the Latest Practicable Date.

The details of above-mentioned 69,702,000 outstanding share options granted under the Share Option Scheme are set forth as followings:

Date of grant	Exercise price per Share	Options grant	Number of options			Outstanding as at 23 April 2014
			Options Exercised	Options lapsed	Options Cancelled	
24 May 2010	HK\$1.49	5,180,000	2,240,000	700,000	—	2,240,000
28 June 2012	HK\$0.98	19,840,000 <sup>(1)</sup>	10,266,000	320,000	—	9,254,000
27 December 2012	HK\$1.262	23,900,000 <sup>(2)</sup>	16,362,000	—	—	7,538,000
30 September 2013	HK\$1.87	4,020,000	—	—	—	4,020,000
31 March 2014	HK\$1.386	46,650,000	—	—	—	46,650,000
		<u>99,590,000<sup>(3)</sup></u>	<u>28,868,000</u>	<u>1,020,000</u>	<u>—</u>	<u>69,702,000</u>

*Note:*

- (1) 19,940,000 share options were granted on 28 June 2012 while 100,000 share options were not accepted by the relevant grantee.
- (2) 24,200,000 share options were granted on 27 December 2012 while 300,000 share options were not accepted by the relevant grantee.
- (3) 99,990,000 share options were granted in aggregate since the adoption of the Share Option Scheme, among which 400,000 share options were not accepted by the relevant grantees.

As at the Latest Practicable Date, the Scheme Mandate Limit was 100,000,000 Shares and options carrying the right to subscribe for 99,990,000 Shares have been granted pursuant to the Share Option Scheme since its adoption, among which 400,000 share options were not accepted by the relevant grantees. Unless the Scheme Mandate Limit is refreshed, only up to 10,000 Shares, representing 0.01% of the Scheme Mandate Limit, may be issued pursuant to the grant of further options under the Share Option Scheme. Given that over 99.9% of the Scheme Mandate Limit has been utilised as at the Latest Practicable Date, the Board considers that it is in the interests of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit so that the Share Option Scheme may continue to serve its intended purpose for the benefit of the Group.

## **LETTER FROM THE BOARD**

On the basis of 1,391,561,750 Shares in issue as at the Latest Practicable Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Proposed Refreshment (i.e. 139,156,175 Shares) together with all outstanding options granted and yet to be exercised as at the Latest Practicable Date (i.e. 69,702,000 Shares) amounts to an aggregate of 208,858,175 Shares, representing approximately 15.01% of the Shares in issue at the Latest Practicable Date and is within the 30% limit in issue from time to time as required under Share Option Scheme and Chapter 17 of the Listing Rules.

### **Conditions of the Proposed Refreshment**

The Proposed Refreshment is conditional upon:

- (a) the Shareholders passing the relevant resolution at the Annual General Meeting to approve the Proposed Refreshment; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment not exceeding 10% of the number of Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders.

### **Application for listing**

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the 139,156,175 Shares, which may be issued pursuant to the exercise of the options granted under the Proposed Refreshment.

### **VOTING BY POLL AT THE ANNUAL GENERAL MEETING**

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Article 66 of the Articles.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution regarding the Proposed Refreshment at the Annual General Meeting.

### **RECOMMENDATION**

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors named above, and the Proposed Refreshment are beneficial to the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions for approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of the retiring Directors, and the Proposed Refreshment at the Annual General Meeting.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Wednesday, 28 May 2014 to Friday, 30 May 2014, both days inclusive, for the purpose of determining Shareholders' entitlements to attend and vote at the Annual General Meeting. In order to qualify for the right to attend and vote at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 27 May 2014.

Yours faithfully,  
For and on behalf of the Board of  
**Comtec Solar Systems Group Limited**  
**John ZHANG**  
*Chairman*

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of Shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 1,391,561,750 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 139,156,175 Shares, which represents 10% of the entire issued share capital of the Company as at the date of passing the resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) revoked or varied by an ordinary resolution of the Shareholders of the Company in a general meeting.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for the purpose in accordance with the Articles and the Companies Law.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company (as compared with the position disclosed in the 2013 Annual Report). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

## 5. SHARE PRICES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2013	1.63	1.03
May 2013	1.89	1.36
June 2013	1.8	1.42
July 2013	2.42	1.66
August 2013	2.53	1.62
September 2013	1.93	1.68
October 2013	2.08	1.65
November 2013	1.82	1.59
December 2013	1.63	1.23
January 2014	1.71	1.29
February 2014	1.53	1.29
March 2014	1.7	1.28
1 April 2014 to the Latest Practicable Date	1.44	1.27

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial shareholders of the Company having interests in 10% or more in the issued share capital of the Company are as follows:

<b>Name of Shareholders</b>	<b>Nature of interest</b>	<b>Number of Shares interested</b>	<b>Approximate percentage of interest in the issued share capital of the Company</b>
Mr. John Zhang <sup>1</sup>	Beneficiary of interest in a controlled corporation, and interest of child under 18	628,513,550	45.17%
Fonty Holdings Limited	Beneficial owner	575,683,844	41.37%
Ms. Carrie Wang <sup>2</sup>	Spouse interest	628,513,550	45.17%

*Note:*

- (1) Mr. John Zhang legally owns the entire issued share capital of Fonty Holdings Limited, which beneficially owns 575,683,844 Shares. Mr. John Zhang is therefore deemed to be interested in all the Shares held by Fonty Holdings Limited. For the purposes of the SFO, 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. In addition, Mr. Zhang is also deemed to be interested in 5,000,000 Shares which may be issued to him upon the exercise of the share options granted to him on 28 June 2012.
- (2) Ms. Carrie Wang is the spouse of Mr. John Zhang, therefore, pursuant to the SFO, she is deemed to be interested in all the Shares in which Mr. John Zhang is interested.

As at the Latest Practicable Date, to the best knowledge of the Directors, the Controlling Shareholders of the Company, who together control the exercise of approximately 45.17% voting rights in the general meeting of the Company.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the indirect shareholding of the Controlling Shareholders in the Company would increase to approximately 50.18% of the issued share capital of the Company. Such exercise of the Repurchase Mandate in full to repurchase Shares will trigger an obligation on the part of the Controlling Shareholders to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. The Directors do not have any present intention to exercise the Repurchase Mandate to such an extent as will trigger such obligation under the Takeovers Code.



The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

#### **7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months preceding the Latest Practicable Date.

#### **8. GENERAL**

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their associates has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Cayman Islands and the regulations set out in the Articles of the Company.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

The details of the Directors eligible and offering themselves for re-election at the Annual General Meeting are set out below:

**Mr. Chau Kwok Keung (鄒國強)**, aged 37, is an executive Director, the chief financial officer of the Group and the company secretary of the Company, responsible for corporate financial and general management. He is also a director Comtec Solar (Hong Kong) Limited and Comtec Semiconductor (Hong Kong) Limited, both of which are subsidiaries of the Group. He acted as a member of supervisory board of RIB Software AG, a software company in Germany, a company listed in Frankfurt Stock Exchange in February 2011, from May 2010 to June 2013. Prior to joining the Group, Mr. Chau served in various positions at China.com Inc., a company listed on the Stock Exchange (Stock Code: 8006) from October 2005 to October 2007, including vice president of the finance department, chief financial officer, company secretary and authorised representative. Prior to joining China.com Inc., he was the deputy group financial controller of China South City Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1668) from August 2003 to April 2005 and the financial controller of Shanghai Hawei New Material and Technology Co., Ltd. from June 2002 to August 2003. Mr. Chau Kwok Keung was employed by Andersen & Co. initially as an experienced staff accountant and then he was subsequently promoted to be a senior consultant in the Global Corporate Finance Division of Andersen & Co. in March 2002. Mr. Chau has been a fellow member of the Association of Chartered Certified Accountants since June 2002, a member of Hong Kong Institute of Certified Public Accountants since July 2005 and a Chartered Financial Analyst of CFA Institute since September 2003. Mr. Chau received a bachelor's degree in Business Administration from the Chinese University of Hong Kong in May 1998.

Saved as disclosed above, Mr. Chau Kwok Keung has confirmed that he has not held any directorship in other listed public companies in the last three years.

A service contract has been entered into between the Company and Mr. Chau Kwok Keung for an initial fixed term of two years commencing from 30 October 2009, subject to retirement and re-election by the Shareholders pursuant to the Articles of the Company. The current Director's fee payable to Mr. Chau Kwok Keung is RMB160,000 per month. Mr. Chau Kwok Keung, as an executive Director of the Company, is also entitled to a discretionary bonus, provided that the aggregate amount of the bonuses payable to all executive Directors of the Company in respect of any financial year may not exceed 5% of the Company's audited consolidated or combined net profit (after taxation and payment of such bonuses) in respect of that financial year. The remuneration package of Mr. Chau Kwok Keung is determined by reference to his duty, experience, workload and time devoted to the Group.

Mr. Chau Kwok Keung does not have any relationship with any other Directors, senior management, or other substantial shareholders or Controlling Shareholders of the Company and its subsidiaries. As at the Latest Practicable Date, Mr. Chau Kwok Keung is deemed to be interested in 13,228,000 Shares which may be issued to him upon the exercise of the share options granted to him on 28 June 2012 and 31 March 2014, respectively, within the meaning of Part XV of the SFO.

Mr. Chau Kwok Keung has confirmed that there are no other matters that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2) of the Listing Rules.

**Mr. Shi Cheng Qi (施承啟)**, aged 70, is an executive Director and the chief technology officer of the Group, responsible for production, technology and research and development. He is in charge of the production technology and equipment design of the Group. Mr. Shi has over 30 years of experience in semiconductor, solar and materials engineering, which was accumulated from the multiple engineering and management positions held by Mr. Shi in the production, technology and research and development departments of 上海半導體材料廠 (Shanghai Semiconductor Materials Factory) in the PRC from 1969 to 2000. He was accredited by 上海市有色金屬總公司 (Shanghai Non-Ferrous Metals Company) as a senior engineer in March 1993 based on the review and evaluation of 高級評委委員會 (senior appraisal committee) of Shanghai Non-Ferrous Metals Company.

Saved as disclosed above, Mr. Shi Cheng Qi has not held any other directorship in other listed public companies in the past three years and does not hold any other position with the Company and other members of the Group.

Mr. Shi Cheng Qi has entered into a service contract with the Company for an initial term of two years commencing from 30 October 2009, subject to retirement and re-election by the Shareholders pursuant to the Articles of the Company. The current Director's fee payable to Mr. Shi Cheng Qi is RMB150,000 per year. Mr. Shi Cheng Qi, as an executive Director of the Company, is also entitled to a discretionary bonus, provided that the aggregate amount of the bonuses payable to all executive Directors of the Company in respect of any financial year may not exceed 5% of the Company's audited consolidated or combined net profit (after taxation and payment of such bonuses) in respect of that financial year. The remuneration package of Mr. Shi Cheng Qi is determined by reference to his duty, experience, workload and time devoted to the Group.

Mr. Shi Chengqi does not have any relationship with any other Directors, senior management, or other substantial shareholders or Controlling Shareholders of the Company and its subsidiaries. As at the Latest Practicable Date, Mr. Shi Cheng Qi is deemed to be interested in 300,000 Shares which may be issued to him upon the exercise of the share options granted to him on 24 May 2010, within the meaning of Part XV of the SFO.

Mr. Shi Cheng Qi has confirmed that there are no other matters that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2) of the Listing Rules.

**Mr. Daniel DeWitt Martin**, aged 75, is an independent non-executive Director. Mr. Martin was the executive vice president of Semiconductor Equipment & Materials International from 1998 to January 2012. During such period, Mr. Martin was mainly responsible for the global standards development activity, and leading Semiconductor Equipment & Materials International into the photovoltaic industry. From July 1984 to March 1996, he worked in Siltec Corporation (Mitsubishi Silicon America) as the vice president of operations, mainly responsible for manufacturing, process engineering, facilities engineering, facilities and equipment maintenance, etc. Mr. Martin graduated from Washington State University in June 1961 and received a bachelor degree in Physical Metallurgy.

Saved as disclosed above, Mr. Daniel DeWitt Martin has not held any other directorship in other listed public companies in the past three years and does not hold any other position with the Company and other members of the Group.

Mr. Daniel DeWitt Martin has entered into a service contract with the Company for an initial term of two years commencing from 30 October 2009. The current Director's fee payable to Mr. Daniel DeWitt Martin is USD50,000 per year. The remuneration package of Mr. Daniel DeWitt Martin is determined by reference to his duty, experience, workload and time devoted to the Group.

Mr. Daniel DeWitt Martin does not have any relationship with any other Directors, senior management, or other substantial shareholders or Controlling Shareholders of the Company and its subsidiaries. Mr. Daniel DeWitt Martin is deemed to be interested in 499,659 Shares which may be issued to him upon the exercise of Pre-IPO share options granted to him on 3 August 2009 and 2 October 2009 and the share options granted to him on 27 December 2012, respectively, within the meaning of Part XV of the SFO.

Mr. Daniel DeWitt Martin has confirmed that there are no other matters that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2) of the Listing Rules in relation to his re-election.

## NOTICE OF THE ANNUAL GENERAL MEETING



### 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)

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Comtec Solar Systems Group Limited (the “Company”) will be held at Unit A, 10/F, Two Chinachem Plaza, 135 Des Voeux Road Central, Hong Kong at 10:00 a.m. on Friday, 30 May 2014 to consider and, if thought fit, transact the following business:

### ORDINARY BUSINESS

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the Directors and the auditors of the Company for the year ended 31 December 2013;
2. to re-elect Mr. Chau Kwok Keung as an executive director (the “Director”) of the Company and to authorise the board of Directors (the “Board”) of the Company to fix his remuneration;
3. to re-elect Mr. Shi Chengqi as an executive Director of the Company and to authorise the Board to fix his remuneration;
4. to re-elect Mr. Daniel DeWitt Martin as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
5. to authorise the Board of the Company to fix the remuneration of the Company’s Directors;
6. to re-appoint Deloitte Touche Tohmatsu as the Company’s auditors and to authorise the Board to fix their remuneration;

and, as additional ordinary business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification);

7. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as

## NOTICE OF THE ANNUAL GENERAL MEETING

defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “Share”) of HK\$0.001 each in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of the aforesaid powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options and otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (i) 20 per cent, of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution; and
  - (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent, of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or

## NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of; or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

8. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase (or agree to repurchase) shares (each, a “Share”) of HK\$0.001 each in the capital of the Company on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 percent, of the aggregate nominal value of the share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or



## NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

9. “**THAT** conditional on the passing of resolutions numbered 7 and 8 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 7 above be and it is hereby extended by the addition to the aggregate nominal value of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 8 above.”

and, as special business, to consider and, if thought fit, pass the following resolution as ordinary resolution (with or without modification);

10. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of options which may be granted under the Refreshed Mandate Limit (as defined below), the refreshment of the existing limit in respect of the grant of options to subscribe for Shares under the share option scheme adopted by the Company on 2 October 2009 (the “Share Option Scheme”) be and is hereby approved provided that the aggregate number of Shares which may be allotted or issued pursuant to the exercise of options to be granted under the Share Option Scheme and any other schemes of the Company (excluding options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or such other scheme(s) of the Company)) shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing this resolution (the “Refreshed Mandate Limit”) and the Directors be and are hereby authorised to grant options under the Share Option Scheme up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

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

Hong Kong, 28 April 2014

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



## NOTICE OF THE ANNUAL GENERAL MEETING

*Registered office:*

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

Suite 28  
35/F Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the above meeting or any adjournment thereof.
3. The transfer books and register of members of the Company will be closed from Wednesday, 28 May 2014 to Friday, 30 May 2014, both days inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the annual general meeting. In order to qualify for the right to attend and vote at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 27 May 2014.
4. In relation to proposed resolutions numbered 7 and 9 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company.
5. In relation to proposed resolution numbered 8 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I in the circular of which this notice of the annual general meeting forms part.
6. In the case of joint holders of a share, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.