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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)

ANNOUNCEMENT

TECHNICAL ASSISTANCE AGREEMENT

This announcement is made by Comtec Solar Systems Group Limited pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

TECHNICAL ASSISTANCE AGREEMENT

On 9 July 2013, the Company and Shinko entered into the Technical Assistance Agreement, pursuant to which Shinko agreed to grant the non-exclusive right to use the technology regarding PV wafers cutting and processing to the Company, and subject to the Stock Exchange granting the approval of the listing of and the permission to dealing in Consideration Shares, the Company agreed to allot and issue the Consideration Shares to Shinko to settle the consideration under the Technical Assistance Agreement.

GENERAL

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in the Consideration Shares.

Since the Stock Exchange may or may not grant the approval of the listing of and the permission to dealing in the Consideration Shares, the allotment and issuance of the Consideration Shares may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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TECHNICAL ASSISTANCE AGREEMENT

Date: 9 July 2013

Parties: (1) Company; and
(2) Shinko

Subject matter: Pursuant to the Technical Assistance Agreement, Shinko agreed to grant the Company the non-exclusive right to use the technology of cutting and processing of PV wafers by using the fixed abrasive method wire-saw and other relevant technologies in relation to the manufacturing of PV wafers. Shinko shall also provide the relevant training in relation to the application of these technologies to the Company's staff.

As the consideration, the Company shall pay JPY30 million to Shinko, based on arm's length negotiation between the Company and Shinko with reference to the estimated costs of the services under the Technical Assistance Agreement, potential improvement in the Group's production efficiency and quality, which shall be settled by Company within two weeks prior to the expiry of the Technical Assistance Agreement at latest. Subject to the Stock Exchange granting the approval of the listing of and the permission to dealing in Consideration Shares, the consideration under the Technical Assistance Agreement will be settled by the Company's allotting and issuing 1,351,765 Consideration Shares to Shinko.

Consideration Shares: 1,351,765 new ordinary Shares, will be allotted and issued at an issue price of HK\$1.70 per Share. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue, including the rights to all dividends, distribution and other payments which are declared, made or paid on or after the date of such allotment and issue.

As at the date of this announcement, there were 1,312,220,000 Shares in issue and the Consideration Shares represent:

- (i) approximately 0.10% of the issued share capital of the Company; and
- (ii) approximately 0.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares shall be issued at the issue price of HK\$1.70 per Share, which was determined after arm's length negotiation between the Company and Shinko with reference to the average closing price during one month preceding the date of the Technical Assistance Agreement.

The issue price of HK\$1.70 per Share represents

- (i) a discount of approximately 1.73% over the closing price of HK\$1.73 per Share as quoted on the Stock Exchange on 9 July 2013, being the date on which the Technical Assistance Agreement was entered into; and
- (ii) a discount of approximately 1.28% over the average closing price of approximately HK\$1.722 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 8 July 2013.

**Undertakings of
Shinko:**

Shinko undertakes, among other matters, not to, at any time commencing on issue and allotment of the Consideration Shares, sell, transfer, mortgage, pledge, charge or otherwise create any rights, interests or encumbrances in respect of any of the Consideration Shares until 30 September 2013, which is the completion date of the training to be provided by Shinko according to the training schedule as set out in the Technical Assistance Agreement and also the expiry date of such agreement.

**Term of the Technical
Assistance
Agreement:**

The Technical Assistance Agreement shall be effective from 9 July 2013 to 30 September 2013, renewable for another three months if both parties agree to extend the Technical Assistance Agreement one month prior to its expiry.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE TECHNICAL
ASSISTANCE AGREEMENT**

The Board is of the view that (i) the Technical Assistance Agreement would enable the Group to obtain advanced PV wafers cutting and processing technology to enhance the Group's overall manufacturing efficiency and quality; and (ii) the settlement of the consideration under the Technical Assistance Agreement by the Company in Shares would offer certain flexibility to the use of the Group's working capital.

Accordingly, the Board considers that it is in the interests of the Group to enter into the Technical Assistance Agreement. The Directors, including the independent non-executive Directors, consider that the Technical Assistance Agreement has been entered into on normal commercial terms and the terms of the Technical Assistance Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE RESULTING FROM THE ISSUANCE OF THE CONSIDERATION SHARES

The following table sets out the illustrative shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares:

	As at the date of this announcement		Immediately after allotment and issuance of all Consideration Shares	
	No. of Shares	%	No. of Shares	%
Shares held by Directors				
Fonty Holdings Limited and parties acting in concert with it (<i>Notes 2, 3</i>)	633,867,550	48.30	633,867,550	48.26
Shares held by Public Shareholders				
Shinko	0	0.00	1,351,765	0.10
Other Shares	<u>678,352,450</u>	<u>51.70</u>	<u>678,352,450</u>	<u>51.64</u>
Total	<u><u>1,312,220,000</u></u>	<u><u>100.00</u></u>	<u><u>1,313,571,765</u></u>	<u><u>100.00</u></u>

Notes:

- (1) The table above assumes no Shares will be issued pursuant to the employee share option scheme of the Company and exercise of any warrants between the date of this announcement and the issuance and allotment of the Consideration Shares.
- (2) Pursuant to the Takeovers Code, each of Fonty Holdings Limited (a company 100% beneficially owned by Mr. John Zhang), Mr. John Zhang, his spouse and children under 18 are presumed to be acting in concert.
- (3) As at the date of this announcement, Fonty Holdings Limited, which is 100% beneficially owned by Mr. John Zhang, held 586,037,844 Shares. For the purposes of the SFO, Mr. John Zhang is also deemed to be interested in 47,829,706 Shares which are beneficially owned by Mr. Alan Zhang, Mr. John Zhang's child under the age of 18, as beneficiary of Zhang Trusts For Descendants, which is an irrevocable trust set up by Mr. John Zhang for the benefit of his descendants and of which J.P. Morgan Trust Company of Delaware is the trustee.

GENERAL MANDATE

1,351,765 Consideration Shares will be issued under the General Mandate and no approval from Shareholders is required in connection with the issuance of the Consideration Shares.

Up to the date of this announcement, no Share has been issued under the General Mandate.

INFORMATION ABOUT SHINKO

Shinko is principally engaged in research and development of grinding, polishing, cutting, ultra-precision machining and diamond wire cutting technologies and the application of these technologies.

To the best of the Directors' knowledge, information and having made all reasonable enquiries, Shinko and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the manufacturing of solar ingots and wafers.

PROCEEDS

Since the issuance of the Consideration Shares is solely for the purpose of settlement of the consideration under the Technical Assistance Agreement, no fund will be raised from the issuance of the Consideration Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of initial announcement	Capital raising activity	Use of net proceeds	Intended use of net proceeds not yet utilised
18 December 2012	Placing of up to 50,000,000 Shares at the placing price of HK\$1.15	Approximately HK\$28 million will be used to meeting capital expenditure of the Group and approximately HK\$28 million will be used as general working capital of the Group	N/A
22 January 2013	Placing of up to 120,000,000 Shares at the placing price of HK\$1.74	Approximately HK\$100 million will be used to meeting capital expenditure of the Group and approximately HK\$100 million will be used as general working capital of the Group	The HK\$100 million which shall be used to meeting capital expenditure of the Group has not been utilised

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DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Comtec Solar Systems Group Limited (卡姆丹克太陽能系統集團有限公司), a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Consideration Shares”	1,351,765 new Shares of HK\$0.001 each to be issued by the Company to Shinko, under the Technical Assistance Agreement
“Director(s)”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting held on 28 May 2013, which authorised the Directors to allot and issue up to 260,952,800 Shares (representing 20% of the issued share capital of the Company at such date)
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	Person(s) or company(ies) which is(are) not a connected person(s) of the Company
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall not include Hong Kong and Macau Special Administrative Region of the PRC and Taiwan
“PV”	photovoltaic
“SFO”	the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong)

“Share(s)”	share(s) in the par value of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Shinko”	Shinko Manufacturing Co., Ltd., a company incorporated in Japan, which is mainly engaged in research and development of grinding, polishing, cutting, ultra-precision machining and diamond wire cutting technologies and the application of these technologies
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Technical Assistance Agreement”	a technical assistance agreement entered into between the Company and Shinko on 9 July 2013, pursuant to which Shinko granted the non-exclusive right to the Company in relation to the PV wafer cutting and processing related technology
“%”	per cent

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

Shanghai, the People’s Republic of China, 9 July 2013

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