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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)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

Reference is made to an announcement of Comtec Solar Systems Group Limited (the “**Company**”) dated 31 August 2015 (the “**2015 Interim Results Announcement**”) in respect of the Company’s interim results for the six months ended 30 June 2015. Unless otherwise stated, terms defined in the 2015 Interim Results Announcement shall have the same meanings when used in this announcement.

Further to the information as set out under the section headed “MANAGEMENT DISCUSSION AND ANALYSIS” of the 2015 Interim Results Announcement, the Company would like to provide the following additional information on certain aspects of the Group’s results for the six months ended 30 June 2015.

IMPAIRMENT ON ADVANCES TO SUPPLIERS

On page 16 of the 2015 Interim Results Announcement, it was disclosed that other losses of the Company for the six months ended 30 June 2015 were approximately RMB132.7 million, mainly due to the impairment losses on advance to suppliers (the “**Impairment**”) and the loss from fair value changes of the outstanding warrants recorded during the period. The Company would like to provide the following further information on the Impairment.

As disclosed in note 17 to the audited financial statements for the year ended 31 December 2014 contained in the 2014 annual report of the Company, the Group had entered into several purchase agreements (the “**Purchase Agreements**”) with two major suppliers, who are independent parties not related to the Group, pursuant to which, among other things, the Group committed to purchase a minimum quantity of polysilicon virgins (to be used in the manufacture of its products) each year during the period from 1 January 2008 to 31 December 2018 at pre-determined prices. According to the terms of the Purchase Agreements, the Group has paid the equivalent of approximately RMB516.8 million of prepayments in aggregate during the period from January 2007 to December 2011

(collectively, the “**Advances**”), to these suppliers. In purchasing polysilicon virgins from these two major suppliers, the Group utilized part of the Advances in settlement of part, but not in full, of the purchase price payable such that only a portion of the Advances shall be utilized on each purchase. The Group has not made any further prepayments to these suppliers since December 2011.

The management of the Company has adopted a consistent review process to assess the sufficiency of impairment recognized in respect of the Advances and provision for the Purchase Agreements on a regular basis. Such reviews included the reviews conducted for the Company’s interim results and the audit of the Company’s annual results every year, with reference to a number of factors, including: the Group’s budgeted annualized production capacity is expected to gradually increase to approximately 1,000MW from 2017 onwards; the Group’s product mix would mainly comprise 125mm x 125mm and 156mm x 156mm “Super Mono” wafers; recent market demand for the Group’s products continued to increase; selling prices of the polysilicons are expected to be around USD15 per kg within 2015 and to be stabilizing at such level, reflecting current market assessments; and the Group’s committed delivery of solar products of approximately 500MW under the signed sales agreement with Mission Solar.

Based on the result of the analysis, the Group recognized incremental impairment losses on advances to suppliers of approximately RMB121.2 million during the six months ended 30 June 2015. The Group had recognized impairment losses of approximately RMB114.5 million during the year ended 31 December 2014 when it conducted the previous impairment analysis. The Impairment represents the incremental impairment recognized for the six months ended 30 June 2015 in respect of the Advances and provision for the Purchase Agreements, which was primarily attributable to the substantial decrease in the market price of polysilicon during the six months ended 30 June 2015 as compared to the market price of polysilicon during the year 2014.

The balances of advances to suppliers decreased from approximately RMB120.3 million as at 31 December 2014 to approximately RMB94.8 million as at 30 June 2015. The drop of approximately RMB25.5 million was mainly due to additional impairment provision of approximately RMB121.2 million during the six months ended 30 June 2015 and the usage of approximately RMB42.3 million to offset the payables for purchase of materials from these long term suppliers. These decreases were partially offset by an increase of approximately RMB144.1 million in relation to utilization of impairment provision on such advances during the period. The utilization of the impairment provision represents an offset of such provision with the cost of sale of the excess inventory of polysilicon which resulted in an increase in the net balance of advance to suppliers by the utilized impairment provision amount.

Further details of the Impairment will be set out in the 2015 interim report of the Company to be published by the Company.

GROSS PROFIT MARGIN

On page 2 of the 2015 Interim Results Announcement, it was disclosed that the gross profit margin of the Company for the six months ended 30 June 2015 was 2.5%, as compared to 8.3% for the six months ended 30 June 2014. The Company would like to provide the following further information on the decrease in the gross profit margin.

The decrease in the Group's gross profit margin was primarily attributable to the decrease in the selling price of wafers during the six months ended 30 June 2015.

In particular, as disclosed in the section headed "Management Discussion and Analysis — Financial Review — Revenue" of the 2015 Interim Results Announcement, the average selling prices for the Group's 125mm by 125mm monocrystalline solar wafers, which accounted for over 74% of the Group's revenue excluding revenue from sale of excess inventory of polysilicon, decreased by approximately 11.1% to RMB1.6 per watt for the six months ended 30 June 2015 from RMB1.8 per watt for the corresponding period in 2014. The Group sold approximately 146.7MW of 125mm by 125mm monocrystalline solar wafers. The decrease of RMB0.2 per watt resulted in decrease of gross profit of approximately RMB29.3 million.

On the other hand, the increase in revenue of the Company for the six months ended 30 June 2015 was mainly attributable to the increase in the Group's sales of excess inventory of polysilicon, which increased by RMB51.9 million or 25.5%, from RMB203.3 million for the corresponding period in 2014 to RMB255.2 million for the six months ended 30 June 2015, which did not make any profit or loss to the Company after the offset of impairment provision on advances to suppliers of approximately RMB144.1 million with the cost of sale of the excess inventory of polysilicon during the period.

As a result of the foregoing, the gross profit margin of the Company decreased from 8.3% in for the six months ended 30 June 2014 to 2.5% for the six months ended 30 June 2015.

GENERAL

The above additional information does not affect other information contained in the 2015 Interim Results Announcement and, save as disclosed in this announcement, the contents of the 2015 Interim Results Announcement remain unchanged.

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

Shanghai, the People's Republic of China, 21 September 2015

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.