

[For immediate release]



卡姆丹克太陽能系統集團有限公司
Comtec Solar Systems Group Limited

Comtec Solar Announces FY2012 Annual Results

Recorded Revenue of RMB1,025.6 Million

Posted Adjusted Net Profit of RMB68.5 Million

Shipment Surged to a Record High Volume of 561.7MW

Achieved RMB208.0 Million Cash Inflow during 2012

Lowered Net Debt to Equity Ratio to 2.8%

Results Highlights:

- Increased Revenue by 0.9% to approximately RMB1,025.6 million
- Achieved Positive Gross Profit of approximately RMB83.5 million
- Achieved Positive Gross Margin of approximately 8.1%
- Adjusted Net Profit of RMB68.5 million after excluding non-cash items
- Generated cash inflow from operating activities of approximately RMB208.0 million during 2012
- Maintained cash and restricted cash balances at approximately RMB515.2 million as at 31 December 2012
- Lowered net debt to equity ratio to approximately 2.8% as at 31 December 2012
- Overall shipment for the year recorded a notable growth of 152.9% to 561.7MW
- The annualized production capacity remained as approximately 600MW

(Hong Kong, PRC and Singapore, 25 March 2013) — **Comtec Solar Systems Group Limited** (HKSE: 712, “Comtec Solar” or “the Company”), a global leader in manufacturing of high quality monocrystalline solar wafers, is pleased to announce its annual results for the year ended 31 December 2012.

Despite uncertain operating environment, the Group’s overall shipment reached a record high volume of 561.7MW (2011: 222.1MW), bringing in revenue of RMB1,025.6 million for the year ended 31 December 2012 (2011: RMB1,016.7 million). The Group achieved positive gross profit of approximately RMB83.5 million (2011: RMB92.5 million) and maintained a positive gross profit margin of approximately 8.1% (2011: 9.1%). The Group recorded adjusted net profit for the year of approximately RMB68.5 million by excluding the non-cash

items. Credit to the superior technology and successful shift of focus to “Super Mono Wafers”, the Group was able to maintain operationally profitable and generate positive cash flow during 2012.

For the year ended 31 December 2012, the Group has generated cash inflow from operating activities of approximately RMB208.0 million. Furthermore, the Group lowered its net debt balance to approximately RMB41.5 million and the net debt to equity ratio to approximately 2.8% during the year. With its strong financial position and superior operating performance, Comtec is confident to maximize its benefits from the industry consolidation and to maintain sustainable growth of business.

The Group is planning to expand capacity in Malaysia which would help to further lower its production costs and to increase its scale of operation. Due to the industry consolidation, the Group is actively evaluating the opportunities for acquiring low cost second hand equipments from the market.

“The entire PV industry is undergoing consolidation which is a painful but must-go process. There was a deep dive in profitability in the industry during the past 2 years. Companies which were aggressive in expansion and overly relied on debt-financing are currently in a very difficult situation. An increasing number of companies would be unable to seek additional sources of capital to meet their ongoing operational requirements and debt repayment obligations”, said **Mr. John Zhang, Chairman of Comtec Solar**. “In order to set Comtec on a path towards long term success in a highly competitive environment, we would stay committed to offering value-added products with premium quality to our customers. Our strategic shift of focus to the premium product ‘Super Mono Wafers’ has allowed us to strengthen the barrier to entry to our business. It also enables us to defend a more disciplined and reasonable demand and supply landscape. We thus achieve superior operating performances and keep improving our financial position. During the year under review, our customers have become increasingly aware of the benefits of buying high efficient products to minimize their overall systems costs. It explains the surge in our shipment volume of approximately 152.9% from 222.1MW in 2011 to 561.7MW in 2012.”

During the year, there were further decreases in module and total system costs. It had accelerated the industry’s progress towards grid-parity and the installation of PV systems becoming increasingly affordable. The cost of solar power is now below user-paid rates for increasing number of markets and user categories. There is a ramping up in PV adoption and planning in emerging markets in Africa, the Americas and the Middle East. It is also excited to see the increasing commitments from various Asia countries on solar power, such as China and Japan which continuously raised their target for solar power contribution to the national grid capacity.

Comtec is always proactive in seeking business opportunities amid the fast-changing market environment. In order to diversify its customer base, the Group keeps working on the qualification process with potential customers and strives to dig into the Japanese market. To

maximize its benefits from industry consolidation, the Group is planning to purchase low costs production facilities and aims to expand production capacity in Malaysia.

“Our strategy to focus on premium products with highest conversion efficiency has enabled us to capture top tier international customers and to keep strengthening the barrier to entry to our business. Looking ahead, we will remain focused on our core wafer business where we have demonstrated solid track records and established competitive advantages. We believe such focus will best position our Group in the fast growing and increasingly competitive market of solar products. We are confident to capture enormous opportunities during the industry consolidation process and to drive continued and healthy growth for the Group in the future.” Mr. Zhang concluded.

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About Comtec Solar Systems Group Ltd (HKSE: 712)

Founded in 1999 and tapped into the solar wafer industry in 2004, Comtec Solar is a leading high quality monocrystalline solar ingot and wafer manufacturer in the PRC and one of the pioneer manufacturers in the PRC be able to massively produce Super Mono Wafers which achieve an average conversion rate of approximately 23%. With its production bases in Shanghai and Jiangsu, Comtec Solar focuses on the design, development, manufacture and marketing of high-quality solar wafers and has accumulated strong industry experience in the manufacture of semiconductor ingots and wafers. Currently, the Company supplies most of its solar products to the leading solar cell/module manufacturers. Listed on the Main Board of the HKSE on 30 October 2009, the Company is committed to enhancing product quality as well as developing new and innovative solar wafers. As it is well positioned to benefit from the growth of the solar PV industry, the Company aims to broaden its customer base internationally.

For more information please visit www.comtecsolar.com.

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