

[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 FY2013 Annual Results

Wafer Shipments Recorded Growth of 17.3% to 396.9MW

Long Term Sales Agreements Secured with Prestigious Clients

Achieved Cash Inflow of Approx. RMB58.8 million

Results Highlights:

- Total wafer shipments jumped 17.3% to approximately 396.9 MW
- Maintained stable gross profit margin at 8.0%
- Generated cash inflow from operating activities of approximately RMB58.8 million;
- Maintained cash and restricted cash balances at approximately RMB334.5 million and net cash position as at 31 December 2013.

(Hong Kong, PRC and Singapore, 25 March 2014) — **Comtec Solar Systems Group Limited** (HKSE: 712, “Comtec Solar” or “the Company”), a global leader in the manufacture of high quality monocrystalline solar wafers, is pleased to announce its annual results for the year ended 31 December 2013.

During the year, capacity rationalization continued in the solar industry. Lower PV system costs drove continuous market growth. Comtec Solar achieved year-on-year growth in the shipments, continued to diversify the customer base of its premium products “Super Mono Wafers”, expanded production capacity, achieved reasonable gross profit margins, generated cash inflow from operating activities and maintained a healthy financial position.

During the year, revenue decreased by 8.6%, from RMB1,025.6 million in 2012 to RMB937.5 million in 2013, primarily as a result of the decrease in average selling prices, which was partially offset by the growth in our sales volume. Due to the increase in customer demand for high quality “Super Mono Wafers”, the total wafer shipment volume of Comtec

Solar increased by 17.3% from 338.4MW in 2012 to 396.9MW in 2013.

The Group also actively renegotiated with its major polysilicon suppliers and was able to lower the average cost of polysilicon. Coupled with persistent efforts in reducing manufacturing costs and improving production efficiency, the Group achieved a stable gross profit margin of approximately 8.0% for the year under review (2012: 8.1%).

For the year ended 31 December 2013, the Group also recorded cash inflow from operating activities of approximately RMB58.8 million. The sound cash flow from its operating activities, together with its disciplined operational initiatives, enabled the Group to become one of the few solar companies which have maintained a net cash position by the end of 2013. The Group's healthy financial conditions positioned it well to manage risks arising from industry consolidation and laid a solid foundation for its sustainable and long-term growth.

Backed by its strong technical capabilities, the Group continues the qualification process with other potential customers and completed diamond wire wafer qualification procedures with a reputable Japanese customer during the first half of 2013. Japan is considered an important market for the Group as there are few suppliers that can meet the rigorous standards of Japanese customers in terms of product quality and reliability. The Group also secured a long-term sales agreement with Mission Solar in December 2013 in relation to its sales of "Super Mono Wafers" in 2014-2017 for approximately 500MW in volume. It is expected the shipments to new customers would keep increasing from 2014 onwards.

"Based on feedbacks from our major customer, the conversion efficiency of solar cells with our 'Super Mono Wafers' has exceeded 24%. The thickness of such wafers is now reduced to below 150 micron. We expect specifications and cost competitiveness of 'Super Mono Wafers' would further improve in the coming few years. Our ability to manufacture more advanced and efficient products differentiates us in the market and strengthens the barrier to entry to our business," said **Mr. John Zhang, Chairman of Comtec Solar**.

"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 have increasingly affordable. The cost of solar power is now below user-paid rates as a result of the increasing number of markets and user categories. We believe that lower PV system costs will drive the adoption of solar power and long-term market growth. While China, Japan

and the United States represent the strongest expanding end markets for solar energy, we see a ramping up in PV adoption and planning in emerging markets in Australia, Africa, the Southeast Asia and the Middle East. We are also excited to see the increasing commitments on solar power from various emerging markets. Going forward, we expect the Group will benefit from this trend of increasing demand for high efficiency products.”

The Group is continuously evaluating the market environment and equipment pricing to maximize benefits from the consolidation of production capacity in the industry. The Group is in the process of setting up production facilities of approximately 300MW in Malaysia and is planning to ramp up capacity during the first half of 2014. The strategic move will not only enable the Group to lower production costs and increase its scale of operations, but also help it to mitigate risks and costs in relation to existing and potential trade disputes between China and overseas countries.

Mr.Zhang concluded, “Leveraging on our solid financial position, competitive production efficiency and high-quality product offerings, we are making every effort to solidify our leading position in the global solar industry. Having successfully navigated through the most challenging period, we will continue to strengthen our core wafer business and to drive sustainable and healthy growth of the Group.”

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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 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.

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For more information please visit: www.comtecsolar.com.

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