

[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 2013 Interim Results

Overall Shipments Doubled to 443.3MW

Completed Diamond Wire Wafer Qualification Procedures with a Major Japan-based Customer

Remained Operationally Profitable with a Net Cash Position of RMB107.1 Million

Construction of Malaysia Facilities on Schedule and Targets to Complete by the End of 2013

Results Highlights:

	For the 6 months ended 30 June 2013	For the 6 months ended 30 June 2012	Change
Revenue (RMB million)	471.0	456.2	+3.2%
Gross Profit (RMB million)	40.5	56.8	-28.7%
Gross Margin	8.6%	12.5%	-390bps
Profit/(Loss) for the Period (RMB million)	(12.1)	(121.1)	NA
Shipment Volume (MW)	443.3	218.6	+102.8%

- Overall shipments for the Period surged 102.8% to 443.3MW
- Revenue increased by 3.2% to approximately RMB471.0 million
- Positive gross profit of approximately RMB40.5 million
- Positive gross profit margin of approximately 8.6%
- Adjusted net profit of RMB16.2 million after excluding non-cash accounting losses on fair value changes of issued warrants of approximately RMB24.8 million and exchange losses of approximately RMB3.5 million
- Maintained a solid financial position with a net cash position of approximately RMB107.1 million and cash and restricted cash balances of approximately RMB371.1 million as at 30 June 2013

(Hong Kong, PRC and Singapore, 27 August 2013) — Comtec Solar Systems Group Limited (HKSE: 712, “Comtec Solar” or “the Group”), a global leading manufacturer of high quality monocrystalline solar wafers, is pleased to announce its interim results for the six months ended 30 June 2013 (“the Period”).

During the Period, the industry continued to experience pressure from supply-demand imbalances. Average selling prices continued to decline but the rate of decline has slowed. The operating environment remained challenging. Despite the challenges facing the industry, the Group still achieved year-on-year growth in shipment volume, maintained a reasonable profit margin and further strengthened its financial conditions as a result of solid execution.

During the Period, the Group achieved notable shipment growth of 102.8% to 443.3 MW (1H2012: 218.6 MW). As a result, the Group's revenue increased by 3.2% to RMB471.0 million during the period under review (1H2012: RMB456.2 million). The Group has shifted its focus to "Super Mono Wafers" which only a limited number of suppliers are qualified by the major international customers. The thickness of such wafers was reduced to approximately 150 microns and the specifications of "Super Mono Wafers" will further improve in coming few years. With the continuous decrease in selling prices of polysilicons and modules, customers increasingly realize the benefits of buying high efficient solar wafers to reduce their overall production costs. It strengthens the demand and provides further business opportunities to high efficient solar wafers in a tough industry environment.

The Group also continued to diversify its customer base of "Super Mono Wafers". During the Period, the Group completed diamond wire wafer qualification procedures with a major Japan-based customer. It is expected the shipments to this customer will keep increasing in 2013 and 2014. The ability to manufacture more advanced and efficient products will further differentiate the Group in the market and strengthen the barrier to entry to its business.

Credit to its persistent efforts in reducing manufacturing costs and improving production efficiency, the Group was able to maintain a positive gross profit margin of 8.6% (1H2012:12.5%) and generated positive operating profits during the Period.

Excluding the non-cash accounting losses on fair value changes of issued warrants of approximately RMB24.8 million and exchange losses of approximately RMB3.5 million, adjusted net profit of the Group was RMB16.2 million for the six months ended 30 June 2013 (1H2012: net loss of RMB121.1million).

During the Period, the Group raised approximately HK\$203.8 million from a top-up placement transaction to fund its capital expenditures and general working capital requirements. The support from respected institutional investors is a clear vote of their confidence in the long-term growth potential of Comtec Solar. The new fundings also helped to mitigate the risks from industry consolidation and to enhance financial flexibility of the Group for its sustainable development. The Group was in a net cash position of approximately RMB107.1 million and maintained cash and restricted cash balances of approximately RMB371.1 million as at 30 June 2013.

Due to the increasing demand for high-efficient solar products, the Group is planning to expand production capacity in Malaysia which would lower its production costs and increase the scale of operations. The construction of Malaysian facilities is on schedule and expected to be completed by the end of 2013. It will be able to accommodate around 300MW production capacity.

"While we expect to see the challenging industry environment to continue in the near term, we firmly believe that lower PV system costs will drive the adoption of solar power and long-term market growth. Lower system costs continue to drive market opportunities which are increasingly independent of traditional feed-in-tariffs. During the last few years, the cost of generating power from solar energy had reduced substantially due to the decrease of polysilicon prices, continuous upgrading of production techniques and enhancement of operational efficiencies in the industry. It has accelerated the industry's

progress towards grid-parity and the installation of PV systems becoming increasingly affordable. While China, Japan and the United States represent the strongest expanding end markets for solar energy, we believe that Australia, Africa, the Middle East and the Southeast Asia will be promising emerging markets with substantial growth prospects. We expect that Japan, for example, will be an important market for us as few suppliers can meet Japanese customers' rigorous standards for product quality and reliability. Going forward, we expect that the Group will benefit from this trend of increasing demand for high-efficiency products," said **Mr. John Zhang, Chairman of Comtec Solar**.

Mr. Zhang concluded, "We are confident that we have the reputation, the top tier suppliers and customer relationships, as well as the capability to adapt to the new economics and competitive landscape of the solar industry. 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 in the upcoming era of clean and economical power of solar energy, to drive continued and healthy growth of the Group in the future."

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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.

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

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