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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**

**PROPOSED REPURCHASE OF CONVERTIBLE BONDS  
AND  
PROPOSED ISSUE OF NEW WARRANTS**

Reference is made to the announcements of the Company dated 19 April 2011, 8 May 2011, 29 May 2011 and 19 June 2011 regarding the Original Investment Agreement, pursuant to which the Company issued to TPG Asia V Mu, Inc. and TPG Asia V Mu, Inc. subscribed for (1) unsecured convertible bonds due 2016, in the aggregate principal amount of RMB654,500,000, convertible into fully paid ordinary shares of HK\$0.001 each in the capital of the Company; and (2) 95,121,951 fully detachable and transferable warrants each to purchase one ordinary share of HK\$0.001 in the capital of the Company.

**REPURCHASE DEED**

On 20 January 2012, the Company and the Investor entered into the Repurchase Deed, pursuant to which the Company has agreed to repurchase, and the Investor has agreed to sell the Repurchase Bonds issued by the Issuer to the Investor under the Original Investment Agreement and the parties have agreed to cancel 75% of the Original Warrants, in consideration for a cash payment of RMB490,875,000 in aggregate (equal to the aggregate principal amount of the Repurchase Bonds) by the Company to the Investor.

## **NEW WARRANTS**

On 20 January 2012, the Issuer and the Investor entered into the Warrant Subscription Agreement, pursuant to which the Issuer has agreed to issue the New Warrants to the Investor and the Investor has agreed to subscribe for the New Warrants, in consideration for (i) the sale by the Investor and the repurchase by the Issuer of the Repurchase Bonds at par value pursuant to the Repurchase Deed and (ii) significant value-added services provided by the Investor to the Issuer in respect of new customers, production yields, financial planning and business development.

## **EGM**

The New Shares will be allotted and issued under the Special Mandate proposed to be sought from the Shareholders at the EGM. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the New Shares.

The New Warrants will not be listed on the Stock Exchange or any other stock exchange. Accordingly, no application will be made for the listing of the New Warrants on the Stock Exchange or any other stock exchange.

The EGM will be held to consider and, if thought fit, to approve the Warrant Subscription Agreement, the New Warrant Instrument and the transactions contemplated thereunder and the Special Mandate for the issue of the New Shares. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder has a material interest in the issue of the New Warrants and therefore, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, further details of the Warrant Subscription Agreement, the New Warrant Instrument, a notice to convene the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders in accordance with the Listing Rules.

**As the Repurchase Deed and the Warrant Subscription Agreement may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

Reference is made to the announcements of the Company dated 19 April 2011, 8 May 2011, 29 May 2011 and 19 June 2011 regarding the Original Investment Agreement, pursuant to which the Company issued to TPG Asia V Mu, Inc. and TPG Asia V Mu, Inc. subscribed for (1) the unsecured convertible bonds due 2016, in the aggregate principal amount of RMB 654,500,000, convertible into fully paid ordinary shares of HK\$ 0.001 each in the capital of the Company; and (2) 95,121,951 fully detachable and transferable warrants each to purchase one ordinary share of HK\$0.001 in the capital of the Company.

## **REPURCHASE DEED**

### **Particulars of the Repurchase Deed**

On 20 January 2012, the Issuer and the Investor entered into the Repurchase Deed, pursuant to which the Issuer has agreed to repurchase, and the Investor has agreed to sell the Repurchase Bonds issued by the Issuer to the Investor under the Original Investment Agreement and the parties agreed to cancel 75% of the Original Warrants, in consideration for a cash payment of RMB 490,875,000 in aggregate (equal to the aggregate principal amount of the Repurchase Bonds) by the Company to the Investor.

### **Conditions Precedent**

The completion of the repurchase of the Repurchase Bonds shall be conditional on the following conditions precedent being satisfied or waived by the Investor:

- (a) the representations and warranties of the Issuer set out in the Repurchase Deed continuing to be true, accurate and correct in all material respects as of the Closing Date;
- (b) the Issuer having obtained all necessary approvals required under the Articles, applicable law and the Listing Rules;
- (c) the Issuer shall have performed all of its obligations under the Repurchase Deed expressed to be performed on or before such date;
- (d) no injunction, interim or otherwise, having been granted in respect of the Issuer which would prohibit the Issuer from entering into and performing its obligations under the Repurchase Deed; and
- (e) the Issuer having issued the New Warrants to the Investor in accordance with the Warrants Subscription Agreement.

If the conditions precedent are not satisfied or waived by the Investor on or prior to 20 February 2012, then the Repurchase Deed (other than the surviving provisions thereunder) shall automatically terminate and (without prejudice to the rights and/or obligations of any party thereto in respect of any antecedent breach) the parties thereto shall cease to have the benefit of their rights, and shall be released and discharged from their respective obligations, under the Repurchase Deed.

### **Call Option**

Under the Repurchase Deed, the Investor grants to the Issuer an option to require the Investor to (i) agree to the cancellation of all Original Warrants outstanding at no cost; and (ii) sell all (but not some only) of the Outstanding Original Bonds to the Issuer for an amount in cash equal to the aggregate principal amount of all such Outstanding Original Bonds, at any time from the date of the Repurchase Deed to 31 January 2013.

### **Significant Payments Committee**

Pursuant to the terms of the Repurchase Deed, as soon as practicable after the date of the Repurchase Deed and in any case within 30 days, and until the maturity, conversion or repurchase in full of the Original Bonds, the Issuer shall establish and maintain a significant payments committee of the Board, which shall comprise three Directors and shall include one Investor Director (the “**Significant Payments Committee**”). Other than for the repurchase of the Original Bonds, the Issuer shall procure that no single expenditure or series of related expenditures with a value in excess of US\$1,000,000, or any other expenditure which is not in the ordinary course of business for the Issuer, shall be made by or on behalf of the Issuer or any of its Subsidiaries without the prior unanimous approval of the members of the Significant Payments Committee.

In the event of the conversion, maturity or repurchase in full of the Original Bonds, the Significant Payments Committee shall cease to have any further force or effect.

### **Terms of the Original Bonds**

Subject to the Closing taking place in accordance with the Repurchase Deed, the Investor and the Issuer agree that, notwithstanding the terms of the Original Bond Instrument:

- (a) the purpose for which the proceeds of the subscription for the Original Bonds may be used shall be for general corporate purposes; and

- (b) the definition of “Early Redemption Amount” shall be deleted from the Original Bond Instrument and replaced with the following:

“Early Redemption Amount of a Bond means its principal amount”.

## NEW WARRANTS

### Principal Terms of the New Warrants

On 20 January 2012, the Issuer and the Investor entered into the Warrant Subscription Agreement, pursuant to which the Issuer has agreed to issue the New Warrants to the Investor, and the Investor agrees to subscribe for the New Warrants, in consideration for (i) the sale by the Investor and repurchase by the Issuer of the Repurchase Bonds at par value pursuant to the Repurchase Deed and (ii) significant value-added services provided by the Investor to the Issuer in respect of new customers, production yields, financial planning and business development.

Set out below is a summary of the principle terms of the New Warrants:

Issuer	The Company
Initial Exercise Price	The initial price per Share at which Shares will be issued upon exercise of the right of the holder of the New Warrants to subscribe for New Shares (the “ <b>Initial Exercise Price</b> ”) is HK\$1.24 per New Share, which is equal to the average closing price per Share for the ten business days immediately preceding the date of this announcement.
Exercise period	Four years from the date of issue of the New Warrants
Status	The New Shares rank pari passu with, and carry the same rights in all aspects as, the other Shares then issued and outstanding.
Number of New Shares	The holder(s) of the New Warrants are entitled to subscribe for up to HK\$117,000,000 of Shares at price per Share equal to the Initial Exercise Price.

Transferability	The New Warrants are freely transferable subject to the terms and conditions of the Warrant Subscription Agreement, the New Warrant Instrument and compliance with applicable law.
Voting	The holders of the New Warrants will not be entitled to receive notice of or attend or vote at general meetings of the Issuer by reason only of being the holders of a Warrant. The holders of the New Warrants will not be entitled to participate in any distribution and/or offers of further securities made by the Issuer by reason only of being the holders of the New Warrants.
Listing	No application will be made for the listing of the New Warrants on the Stock Exchange or any other exchange.

### **Comparison of Exercise Price**

The Initial Exercise Price of HK\$1.24 represents:

- (i) a discount of approximately 14.48% over the closing price of the Shares of HK\$1.45 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.77% over the average closing price of HK\$1.33 per Share for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) equal to the average closing price of HK\$1.24 per Share for the ten business days immediately preceding the date of this announcement, including the Last Trading Day.

### **Conditions Precedent**

The issue and subscription of the New Warrants shall be conditional on the following conditions precedent being satisfied or waived by the Investor:

- (a) the representations and warranties of the Issuer set out in the Warrant Subscription Agreement continuing to be true, accurate and correct in all material respects as of the Closing Date (as defined in the Warrant Subscription Agreement);

- (b) the Issuer having obtained from its shareholders all necessary approvals required under the Articles, applicable law and the Listing Rules:
  - (i) to issue the New Warrants to the Investor; and
  - (ii) to issue the New Shares;
- (c) the Stock Exchange having approved the listing of, and granted permission to deal in, the New Shares;
- (d) the Issuer shall have performed all of its obligations under the Warrant Subscription Agreement expressed to be performed on or before such date;
- (e) no injunction, interim or otherwise, having been granted in respect of the Issuer which would prohibit the Issuer from entering into and performing its obligations under the New Warrant Instrument or the Warrant Subscription Agreement;
- (f) a change of Control having not occurred in respect of the Issuer; and
- (g) the Repurchase Deed being unconditional save in respect of clause 4.1(e) (relating to the issue of New Warrants) of the Repurchase Deed.

If the conditions precedent are not satisfied or waived by the Investor on or prior to 20 February 2012, then the Warrant Subscription Agreement (other than the surviving provisions thereunder) shall automatically terminate and (without prejudice to the rights and/or obligations of any party thereto in respect of any antecedent breach) the parties thereto shall cease to have the benefit of their rights, and shall be released and discharged from their respective obligations, under the Warrant Subscription Agreement.

### **Termination of the Warrant Subscription Agreement**

On exercise in full of the subscription rights under the New Warrants, without prejudice to the rights and/or obligations of any party thereto in respect of any antecedent breach, the Warrant Subscription Agreement shall be automatically terminated and the parties thereto shall be released and discharged from their respective obligations under the Warrant Subscription Agreement.

## **Aggregate Effect of the Exercise of the New Warrants**

The New Shares will be issued under the Special Mandate granted by the Shareholders at the EGM of the Company. Assuming the New Warrants are fully exercised, a maximum number of 94,354,838 New Shares will be allotted and issued, representing approximately 8.32 % of the existing issued share capital of the Company as of the date of this announcement, and representing approximately 7.68% of the issued share capital of the Company as enlarged by the issue of the New Shares.

## **EGM**

The New Shares will be allotted and issued under the Special Mandate proposed to be sought from the Shareholders at the EGM. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the New Shares.

The New Warrants will not be listed on the Stock Exchange or any other stock exchange. Accordingly, no application will be made for the listing of the New Warrants on the Stock Exchange or any other stock exchange.

The EGM will be held to consider and, if thought fit, to approve the Warrant Subscription Agreement, the New Warrant Instrument and the transactions contemplated thereunder and the Special Mandate for the issue of the New Shares. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder has material interest in the issue of the New Warrants and therefore, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, further details of the Warrant Subscription Agreement, the New Warrant Instrument, a notice to convene the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders in accordance with the Listing Rules.

## **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the New Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants. No listing application will be made for the New Warrants on the Stock Exchange or any other stock exchange.



## **REASONS FOR THE REPURCHASE DEED AND THE WARRANT SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS**

Due to the general industry environment of over-capacity and declining average selling prices, the Board believes it is prudent to reduce the Group's debt level and has decided not to expand the Group's manufacturing capacity by debt financing. Further, as part of the repurchase of the Repurchase Bonds, the Investor will agree (i) to consent to the level of borrowings of the Group relative to EBITDA exceeding the level specified under the Relevant Covenant in the Original Bond Instrument until 20 February 2013 and the sole and exclusive remedy for any claims made by the Investor in relation to a breach of the terms of the Original Bond Instrument or the Original Investment Agreement shall be limited to the immediate repayment of the outstanding principal amount of the Original Bonds, (ii) to cancel 75% of the Original Warrants, (iii) to cancel the early redemption premium of 30% on the outstanding amount of the Original Bonds, and (iv) to change the use of proceeds to general corporate purposes.

Given the difficult industry environment the Group is facing, the Board believes that, absent the concessions agreed to by the Investor under the Repurchase Deed and the Warrant Subscription Agreement, there is a real risk that the Company could breach the Relevant Covenant during 2012. Breach of the Relevant Covenant would result in the Investor being entitled to the immediate repayment in cash of the outstanding principal amount of the Original Bonds together with a premium of 30%. Accordingly, the Board believes that entry into the Repurchase Deed and the Warrant Subscription Agreement, and in particular the negotiation of concessions from the Investor, is a prudent step to take in view of the difficult industry environment the Group is facing. It allows the Company to enjoy the benefits of reducing its debt levels with immediate effect, to pre-emptively avoid any risk of breaching the borrowings covenant with the Investor during 2012, to ensure that the Group is able to comply with any financial covenants with its creditors or other financiers, to avoid over-leveraging on debt-financing in a tough industry environment and to obtain more flexibility on the use of proceeds.

The issue of the New Warrants may provide the Company with an access to additional equity capital. The issue of the New Warrants is also part of the consideration for the Investor agreeing to (i) the repurchase of the Repurchase Bonds at par, (ii) agreeing to consent to the level of borrowings of the Group relative to EBITDA exceeding the level specified under the relevant covenant in the Original Bond Instrument until 20 February 2013 and the sole and exclusive remedy for any claims made by the Investor in relation to a breach of the terms of the Original Bond Instrument or the Original Investment Agreement shall be limited to the immediate repayment of the outstanding principal amount of the Original Bonds, (iii) the cancellation of the 75% of the Original Warrants, (iv) the cancellation of the early redemption premium of 30% on outstanding amount of the Original Bonds, and (v) the change of use of proceeds to general corporate purposes to allow the Company with more flexibility on the use of proceeds.

Since investing, the Investor has provided significant value-add services to the Company in respect of new customers, production yields, financial planning and business development. Together, the Investor's value-added services have helped the Company maintain its leading position in a tough macro-environment.

The Board considers that the Warrant Subscription Agreement helps maintain the solid foundation for the strategic relationship between the Investor, a global institutional investor with deep relationships in the solar industry, and the Group and ensures motivation for the Investor to continuously provide the value-add services to the Company even after the repurchase of Repurchase Bonds. The Board is of the view that the terms of the Repurchase Deed and the Warrant Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

No additional funds will be raised by the Company from the subscription of the New Warrants by the Investors. It is intended that the net proceeds from the full exercise of the New Warrants of approximately HK\$117 million will be applied as general working capital of the Group and/or other appropriate investments as may be identified by the Board.

## SHAREHOLDING OF THE COMPANY

The table below sets out the Company's shareholding structure as at the date of this announcement and upon the completion of the Repurchase Deed and full exercise of the New Warrants, and assuming there is no transfer of New Shares.

	Nature of Interest	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Repurchase Deed but before any exercise of the New Warrants		Shareholding immediately after completion of the Repurchase Deed and full exercise of the New Warrants (assuming there is no transfer of New Shares)	
		Approximately		Approximately		Approximately	
		No. of shares	%	No. of shares	%	No. of shares	%
Mr. John Zhang <sup>1</sup>	Beneficiary of a trust, interest in a controlled corporation, interest of spouse and interest of children under 18	663,867,550	58.55	663,867,550	58.55	663,867,550	54.05
Fonty Holdings Limited	Beneficial owner	546,987,344	48.24	546,987,344	48.24	546,987,344	44.53
J.P. Morgan Trust Company of Delaware <sup>2</sup>	Trustee of a trust	116,880,206	10.31	116,880,206	10.31	116,880,206	9.52
Ms. Carrie Wang <sup>3</sup>	Spouse interest	663,867,550	58.55	663,867,550	58.55	663,867,550	54.05
Mr. Alan Zhang <sup>4</sup>	Beneficiary of a trust	116,880,206	10.31	116,880,206	10.31	116,880,206	9.52
Public Mutual Berhad (As Fund Manager for PAGF, PBAEF, PBCAEF, PBCAUEF, PBCPRF, PBF, PCIF, PCSF, PEF, PFES, PFETIF, PNREF, PRSEC & PSCEF)	Investment Manager	81,208,000	7.16	81,208,000	7.16	81,208,000	6.61
The Investor	—	—	—	—	—	94,354,838	7.68
Mr. Chau Kwok Keung	Beneficial owner	1,230,139	0.11	1,230,139	0.11	1,230,139	0.10
Other public shareholders	—	<u>387,584,311</u>	<u>34.18</u>	<u>387,584,311</u>	<u>34.18</u>	<u>387,584,311</u>	<u>31.56</u>
Total	—	<u>1,133,890,000</u>	<u>100</u>	<u>1,133,890,000</u>	<u>100</u>	<u>1,228,244,838</u>	<u>100</u>

*Note:*

- (1) Mr. John Zhang legally owns the entire issued share capital of Fonty, which beneficially owns 546,987,344 Shares. Mr. John Zhang is therefore deemed to be interested in all the Shares held by Fonty. As a beneficiary of JZ GRAT of 2010 and JZ GRAT of 2011, Mr. John Zhang is also deemed to be interested in 105,550,500 Shares owned by J.P. Morgan Trust Company of Delaware as the trustee of JZ GRAT of 2010 and JZ GRAT of 2011, each of which being an irrevocable grantor retained annuity trust set up by Mr. John Zhang for the benefit of himself and his family members. As the parent of Mr. Alan Zhang, Mr. John Zhang is also deemed to be interested in 11,329,706 Shares in which Mr. Alan Zhang is interested. These 11,329,706 Shares are owned by J.P. Morgan Trust Company of Delaware as the trustee of Zhang Trusts for Descendants, an irrevocable trust set up by Mr. John Zhang for the benefit of his descendants, of which Mr. Alan Zhang is a beneficiary.
- (2) J.P. Morgan Trust Company of Delaware is the legal owners of 5,550,500 Shares as trustee for JZ GRAT of 2010, 100,000,000 Shares as trustee for JZ GRAT of 2011 and 11,329,706 Shares as trustee for Zhang Trusts for Descendants.
- (3) Ms. Carrie Wang is the spouse of Mr. John Zhang, therefore, pursuant to the SFO, she is deemed to be interested in all the Shares in which Mr. John Zhang is interested.
- (4) Mr. Alan Zhang is a child of Mr. John Zhang under the age of 18. Mr. Alan Zhang is a beneficiary of JZ GRAT of 2010, JZ GRAT of 2011, and Zhangs Trusts for Descendants and is deemed to be interested in the 116,880,206 Shares held by J.P. Morgan Trust Company of Delaware as trustee for JZ GRAT of 2010, JZ GRAT of 2011 and Zhang Trusts for Descendants.

## **GENERAL**

To the best knowledge, information and belief of the Directors, and having made all reasonable enquires, the Investor and its ultimate beneficial owner(s) are independent third parties not connected with the Company or any of its connected persons.

The Company will promptly notify the Stock Exchange if it becomes aware of any dealings in the New Warrants by any connected person of the Company.

## **CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

Apart from the capital raising activity mentioned below, the Company has not carried out any other capital raising activity during the 12 months immediately before the date of this announcement.

<b>Date of initial Announcement</b>	<b>Capital raising activity</b>	<b>Use of net proceeds</b>	<b>Intended use of net proceeds not yet utilised</b>
19 April 2011	Issue of the unsecured convertible bonds due 2016, in the aggregate principal amount of RMB 654,500,000, convertible into fully paid ordinary shares of HK\$0.001 each in the capital of the Company; and 95,121,951 fully detachable and transferable warrants each to purchase one ordinary share of HK\$0.001 in the capital of the Company	The net proceeds from the issue of the Original Bonds was approximately HK\$780 million. The Original Warrants had not been exercised.	Expansion of production capacity

**As the Repurchase Deed and the Warrant Subscription Agreement may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Articles”	the articles of association of the Issuer from time to time;
“associate”	has the meaning given to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and, in the case of a surrender of a Bond certificate, in the place where the Bond certificate is surrendered;
“Closing Date”	the date on which the completion of the repurchase of the Repurchase Bonds take place;
“Company” or “Issuer”	Comtec Solar Systems Group Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“Conditions Precedent”	the conditions precedent set out in the paragraph headed “Conditions Precedent” of this announcement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Control”	has the meaning given to it in the Code on Takeovers and Mergers and Share Repurchases
“Director(s)”	the director(s) of the Company;
“EBITDA”	means, for any financial year of the Company, the operating profits of the Company before taxation for that financial year before deducting any finance charges and amount attributable to amortisation of intangible assets or depreciation of tangible assets, and before taking into account any items treated as exceptional or extraordinary items;

“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, passing the resolution(s) to approve, among other things, the Warrant Subscription Agreement and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Investor”	Counterpunch, L.P., a limited partnership established under the laws of Delaware and a nominee of TPG Asia V Mu, Inc. in relation to the subscription of securities issued by the Company under the Original Investment Agreement;
“Investor Directors”	Mr. Stephen Peel and Mr. Donald Huang
“Last Trading Date”	20 January 2012
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Shares”	the Shares issued on the exercise of the New Warrants in accordance with the New Warrant Instrument;
“New Warrants”	the fully detachable and transferable warrants, exercisable for a period of four years from the date issue, as constituted by the New Warrant Instrument and issued with the benefit of, and subject to, the terms and conditions set out therein entitling the holder to subscribe for up to HK\$117,000,000 of Shares at price per Share equal to the Initial Exercise Price;
“New Warrant Instrument”	the warrant instrument to be executed by the Issuer constituting the New Warrants;
“Original Bonds”	the convertible bonds due 2016 in an aggregate principle amount of RMB654,500,000 having a denomination of RMB100,000 each, constituted by the Original Bond Instrument and issued with the benefit of, and subject to the terms and conditions set out therein;

“Original Bond Instrument”	the convertible bond instrument constituting the Original Bonds dated 17 June 2011;
“Original Investment Agreement”	an investment agreement dated 18 April 2011 (as amended by an amendment agreement dated 29 May 2011) in relation to the Issuer entered into by the Issuer and TPG Asia V Mu, Inc.;
“Original Warrants”	the 95,121,951 warrants each to subscribe for one Share as constituted by the Original Warrant Instrument and issued with the benefit of, and subject to, the terms and conditions set out therein;
“Original Warrant Instrument”	the warrant instrument constituting the Original Warrants dated 17 June 2011;
“Outstanding Original Bonds”	the Original Bonds which will remain outstanding after the repurchase of the Repurchase Bonds;
“Outstanding Original Warrants”	the Original Warrants which will remain outstanding immediately following the cancellation of 75% the Original Warrants;
“PRC”	the People’s Republic of China;
“Relevant Covenant”	a covenant under the Original Bond Instrument imposing certain restrictions on the Group’s borrowings;
“Repurchase Deed”	the repurchase deed dated 20 January 2012 between the Issuer and the Investor;
“Repurchase Bonds”	75 per cent. of the Original Bonds (amounting to an aggregate principal amount of RMB 490,875,000)
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Special Mandate”	the Shareholders granting their approval to the Directors to issue and allot the New Shares



“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Warrant Subscription Agreement”	the warrant subscription agreement dated 20 January 2012 between the Issuer and the Investor; and
“%”	per cent.

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

Hong Kong, 25 January 2012

*As at the date of this announcement, the executive Directors are Mr. John Zhang, Mr. Chau Kwok Keung, Mr. Shi Cheng Qi, the non-executive Directors are Mr. Phen Chun Shing Vincent, Mr. Stephen Peel and Mr. Donald Huang and the independent non-executive Directors are Mr. Leung Ming Shu, Mr. Kang Sun and Mr. Daniel DeWitt Martin.*