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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)

DISCLOSEABLE TRANSACTION
FRAMEWORK AGREEMENT

FRAMEWORK AGREEMENT

The Board announces that on 19 November 2012, Comtec Solar (HK), Comtec Solar, Comtec New Energy and Shanghai Wan Qian Jia Mu, an Independent Third Party, entered into the Framework Agreement pursuant to which all equity interest in Comtec New Energy will be transferred to Shanghai Wan Qian Jia Mu for a consideration of RMB28,500,000. Upon the completion of the Transfer, Comtec New Energy will cease to be a subsidiary of the Group.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios of the Framework Agreement are more than 5% but are less than 25%, the transaction under the Framework Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

FRAMEWORK AGREEMENT

Date: 19 November 2012. The Framework Agreement will become effective upon due signing of the Framework Agreement by the authorised persons of the relevant parties.

Parties:

- (1) Comtec Solar (HK);
- (2) Comtec Solar;
- (3) Comtec New Energy; and
- (4) Shanghai Wan Qian Jia Mu.

Subject matter:

Pursuant to the Framework Agreement, all equity interest in Comtec New Energy, which is currently valued at approximately RMB199 million, being its net assets value as of the date of this announcement, will be transferred to Shanghai Wan Qian Jia Mu. Prior to such equity transfer, the registered capital of Comtec New Energy will be decreased to RMB28,500,000. Subsequently, all equity interest in Comtec New Energy will be transferred to Shanghai Wan Qian Jia Mu for a consideration of RMB28,500,000 based on arm's length negotiation and Comtec New Energy's then net assets value after the capital decrease at the second stage of the Transfer (please see below for details). The Transfer will be conducted in three stages:

First stage: Comtec Solar (HK) will transfer all equity interest in Comtec New Energy to Comtec Solar;

Second stage: Comtec New Energy will reduce its registered capital from US\$30 million to RMB28,500,000 in order to make its net assets value consistent with the proposed Transfer consideration. The difference between US\$30 million and RMB28,500,000 will be remitted to Comtec Solar, the then shareholder of Comtec New Energy; and

Third stage: Comtec Solar and Shanghai Wan Qian Jia Mu will enter into the Equity Transfer Agreement, pursuant to which Comtec Solar will transfer all equity interest in Comtec New Energy to Shanghai Wan Qian Jia Mu for a consideration of RMB28,500,000.

The Transfer will be conducted in three stages because:

- (i) at the request of the Transferee, the parties agreed that the Target Company shall first be changed from a foreign invested enterprise into a PRC domestic company prior to the transfer of the equity interest in the Target Company to the Transferee to minimise the administrative procedures required for completion of the Transfer as the Transferee is also a PRC domestic company; and
- (ii) the principal asset owned by the Target Company is the land use right of a piece of land situated at Nanhui, Pudong District, Shanghai, and hence, the parties agreed that the Target Company shall first reduce its unnecessary registered capital from US\$30 million to RMB28,500,000 prior to the third stage of the Transfer.

As advised by the Company's PRC advisers, the Framework Agreement is valid and legal under the PRC laws and regulations.

Basis of determination for the consideration:

The consideration to be paid by the Transferee for the Transfer is RMB28,500,000, which was determined by arm's length negotiation and with reference to, among other things, the expected net assets value of Comtec New Energy after the capital decrease at the second stage of the Transfer.

Payment term:

Pursuant to the Framework Agreement, the Transferee shall pay the consideration to Comtec Solar in instalments as follow:

- (a) first instalment: RMB1 million within three business days after the signing of the Framework Agreement, which is also the down-payment to ensure the signing of the Equity Transfer Agreement;
- (b) second instalment: together with RMB1 million in the first instalment, at least 50% of the consideration within two business days after the signing of the Equity Transfer Agreement; and
- (c) third instalment: the remaining 50% of the consideration within two business days after the closing of the Equity Transfer Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

Comtec New Energy was originally established in Shanghai for manufacturing expansion. However, Comtec New Energy has not implemented its original expansion plans since establishment due to the volatile capital market and global economy as well as excess capacity in the solar industry. In light of the relative high investment costs in Shanghai, the Directors decided not to continue the further expansion in Shanghai by entering into the Framework Agreement to dispose the unnecessary assets originally owned by Comtec New Energy to obtain more capital resources. Moreover, the proceeds from the Transfer could enhance the Group's financial position by providing additional capital resources for the Group to focus on its profitable business of "Super Mono Wafer" and to seek other potentially more profitable investment opportunities in the future.

Accordingly, the Board considers that it is in the interests of the Group to enter into the Framework Agreement. The Directors, including the independent non-executive Directors, consider that the Framework Agreement has been entered into on normal commercial terms and the terms of the Framework Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

EFFECT OF THE FRAMEWORK AGREEMENT

Following the completion of the Framework Agreement, Comtec New Energy will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the accounts of the Group.

It is expected that no material gains or losses will be recorded to the Group arising from the Framework Agreement, because the principal asset owned by Comtec New Energy is the land use right for a piece of land situated at Nanhui, Pudong District, Shanghai and as agreed by the parties to the Framework Agreement, Comtec New Energy will reduce its unnecessary registered capital to make its net assets value consistent with the proposed consideration under the third stage of the Transfer.

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INFORMATION ABOUT THE TRANSFEREE

Shanghai Wan Qian Jia Mu is principally engaged in gardening and landscaping.

To the best of the Directors' knowledge, information and having made all reasonable enquiries, the Transferee and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

INFORMATION ABOUT THE TARGET COMPANY

Comtec New Energy is principally engaged in the manufacturing and sales of solar wafers and related products.

For the two years ended 31 December 2010 and 2011, the audited net losses/profits attributable to Comtec New Energy, were as follows:

For the year ended 31 December 2010

Net losses (before tax): RMB1,069,770

Net losses (after tax): RMB1,069,770

For the year ended 31 December 2011

Net profits (before tax): RMB9,582,320

Net profits (after tax): RMB7,186,740

INFORMATION OF COMTEC SOLAR

Comtec Solar is principally engaged in the manufacturing of solar ingots and wafers.

INFORMATION OF COMTEC SOLAR (HK)

Comtec Solar (HK) is an investment holding company.

INFORMATION OF THE GROUP

The Group is principally engaged in the manufacturing of solar ingots and wafers.

DEFINITIONS

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

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Comtec Solar Systems Group Limited (卡姆丹克太陽能系統集團有限公司), a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“Comtec Solar”	Shanghai Comtec Solar Technology Co., Ltd.* (上海卡姆丹克太陽能科技有限公司), a wholly foreign-owned enterprise incorporated under the laws of the PRC on 5 July 2005 and an indirect wholly-owned subsidiary of the Company
“Comtec Solar (HK)”	Comtec Solar (Hong Kong) Limited (formerly known as Star View (Hong Kong) Limited), a limited liability company incorporated in Hong Kong on 12 October 2007 and an indirect wholly-owned subsidiary of the Company
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Equity Transfer Agreement”	an equity transfer agreement to be entered into between Comtec Solar and the Transferee at the third stage of the Transfer pursuant to the Framework Agreement
“Framework Agreement”	a framework agreement dated 19 November 2012 entered into among, Comtec Solar (HK), Comtec Solar, Comtec New Energy and Shanghai Wan Qian Jia Mu, pursuant to which all equity interest in Comtec New Energy will be transferred to Shanghai Wan Qian Jia Mu for a consideration of RMB28,500,000
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	Person(s) or company(ies) which is(are) not a connected person(s) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall not include Hong Kong and Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Target Company” or “Comtec New Energy”	Comtec New Energy Technology (Shanghai) Co., Ltd.* (卡姆丹克新能源科技(上海)有限公司), a wholly foreign-owned enterprise incorporated under the laws of the PRC on 7 January 2010 and an indirect wholly-owned subsidiary of the Company immediately prior to the signing of the Framework Agreement
“Transfer”	the equity transfer transaction contemplated under the Framework Agreement
“Transferee” or “Shanghai Wan Qian Jia Mu”	Shanghai Wan Qian Jia Mu Green Landscapes Constructions Co., Ltd.* (上海萬千佳木綠地建設有限公司), a company incorporated in the PRC with limited liabilities and an Independent Third Party
“US\$”	US dollars, the lawful currency of the United States
“%”	per cent

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

Shanghai, the People’s Republic of China, 19 November 2012

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.

* For identification purpose only