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)

PROFIT WARNING

This announcement is made by Comtec Solar Systems Group Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 11 January 2017, pursuant to which the board (the "**Board**") of directors (the "**Directors**") of the Company informed the shareholders and potential investors of the Company that it was expected that the Group would record a substantial net loss for the year ended 31 December 2016, although at that time the magnitude of such loss is yet to be quantified.

The Board would like to hereby update the shareholders and potential investors of the Company that, according to the assessment of the Company's management based on the latest information currently available the Company, it is expected that the Company will record a net loss of over RMB1,000.0 million for the year ended 31 December 2016, as compared to a net loss of approximately RMB434.7 million for the year ended 31 December 2015.

According to the analysis of the Company's management based on the latest information available, the anticipated net loss was primarily attributable to (i) the write-down of approximately RMB339.3 million of the assets related to the manufacturing facilities of the Group in Malaysia, which are proposed to be disposed of to an independent third party at a discount to their net book value as disclosed in the announcement of the Company dated 3 January 2017; (ii) the write-down of approximately RMB276.5 million of the assets related to the manufacturing facilities of the Group in the People's Republic of China; (iii) the accrued expenses for termination of our Malaysian plant under construction as a result of the disposal of major assets and properties of Comtec Malaysia and downsize of manufacturing business of approximately RMB149.0 million; (iv) a gross loss of approximately RMB152.6 million, which was primarily attributable to (a) the write-down of the Group's inventory of approximately RMB94.5 million due to the decrease in the market prices of solar wafers and polysilicon; (b) the decrease in revenue due to the decrease in average selling prices and shipment volume of monocrystalline ingots and wafers during 2016； (v) recognition of share base payment expenses of approximately RMB22.4 million; and (vi) net exchange losses of approximately RMB10.1 million. These factors were primarily resulted from the challenging market conditions in the upstream wafer and ingot manufacturing segment of the solar industry, which has deteriorated since the second half of 2016 when a number of large downstream solar module and panel manufacturers announced their plans to scale back or even shut down their production. Under such market conditions, the average selling prices of wafers and polysilicon further decreased during the second half of 2016.

As disclosed above, the anticipated net loss is mainly attributable to certain non-cash items charged for the year ended 31 December 2016. The Company would also like to inform the shareholders and potential investors that despite the anticipated net loss, from the perspective of cash flow from operating activities, the Company expects to recorded a net cash inflow from operating activities of approximately RMB80.2 million for the year ended 31 December 2016.

Please note that the information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited management accounts of the Group and currently available information, which have not been audited by the Company's auditors. Shareholders and potential investors of the Company are advised to read carefully the announcement of the Company in relation to the results of the Group for the financial year ended 31 December 2016, which is expected to be released on 31 March 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the board of
Comtec Solar Systems Group Limited
John Yi Zhang
Chairman

Shanghai, the People's Republic of China, 29 March 2017

As at the date of this announcement, the executive Directors are Mr. John Yi Zhang, Mr. Chau Kwok Keung and Mr. Zhang Zhen, the non-executive Director are Mr. Donald Huang and Mr. Wang Yixin, and the independent non-executive Directors are Mr. Leung Ming Shu, Mr. Kang Sun and Mr. Daniel DeWitt Martin.