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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 OF UNAUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS

- Revenue for the Period was approximately RMB55.0 million, representing a year-on-year decrease of 40.9% from approximately RMB93.0 million for the year ended 31 December 2019;
- Gross profit for the Period was approximately RMB2.3 million, representing a year-on-year increase of 91.7%, from approximately RMB1.2 million for year ended 31 December 2019;
- Gross profit margin for the Period was approximately 4.3%, comparing to gross loss margin of 1.3% for the year ended 31 December 2019;
- Net losses attributable to the owners of the Company for the Period was approximately RMB63.9 million, representing a year-on-year decrease of approximately 52.3%, from approximately RMB122.1 million for the year ended 31 December 2019;
- Net losses margin attributable to the owners of the Company for the Period was approximately 119%, comparing to net loss margin of 131.3% for the year ended 31 December 2019; and
- Our loss per share for the year was RMB11.29 cents, comparing to the adjusted loss per share of 21.56 cents for the year ended 31 December 2019.

The unaudited consolidated annual results of the Company in this announcement have not been agreed with the auditors as required under Rule 13.49(2) of the Listing Rules.

The Group expects to publish the annual report for the Period containing all the information required by Appendix 16 to the Listing Rules (the “**Annual Report**”) and the audited 2020 financial results of the Company on or before 30 April 2021.

UNAUDITED ANNUAL RESULTS

The Board is pleased to announce the unaudited consolidated financial results of the Group for the Period, together with the comparative figures for the corresponding period in 2019. These results have been reviewed by the Company's audit committee, comprising all of the independent non-executive Directors, with one of them chairing the committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	<i>Note</i>	2020 RMB'000 (Unaudited)	2019 RMB'000 (Audited)
Revenue	4	55,015	93,037
Cost of sales and services		<u>(52,670)</u>	<u>(94,239)</u>
Gross loss		2,345	(1,202)
Other income		5,354	10,584
Other gains and losses		(10,943)	(40,466)
Distribution and selling expenses		(1,014)	(4,109)
Administrative expenses		(36,727)	(66,710)
Research and development expenses		(1,112)	(3,561)
Share of profit of a joint venture		134	794
Share of loss of an associate		—	(21)
Finance costs		<u>(23,450)</u>	<u>(24,856)</u>
Loss before tax		(65,413)	(129,547)
Income tax credit	5	<u>62</u>	<u>889</u>
Loss for the year		<u>(65,351)</u>	<u>(128,658)</u>
Loss for the year attributable to			
Owners of the Company		(63,896)	(122,060)
Non-controlling interests		<u>(1,455)</u>	<u>(6,598)</u>
		<u>(65,351)</u>	<u>(128,658)</u>
		RMB cents (Unaudited)	RMB cents (Adjusted)
Loss per share			
— Basic		<u>(11.29)</u>	<u>(21.56)</u>
— Diluted		<u>(11.29)</u>	<u>(21.56)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Note	2020 RMB'000 (Unaudited)	2019 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		134,826	163,279
Investment properties		86,027	86,027
Goodwill		3,807	3,807
Intangible assets		2,135	3,795
Interests in a joint venture		—	11,308
Interests in an associate		159	159
Deposits paid for acquisition of property, plant and equipment		415	451
		<u>227,369</u>	<u>268,826</u>
Current assets			
Inventories		14,633	18,312
Trade and other receivables	8	80,678	54,887
Advance to suppliers		29,737	30,908
Equity instrument at fair value through profit or loss (“FVTPL”)		—	7,306
Pledged bank deposits		21,214	22,436
Bank balances and cash		5,126	3,286
		<u>151,388</u>	<u>137,135</u>
Current liabilities			
Trade and other payables	9	127,557	109,025
Contract liabilities		35,141	51,320
Interest-bearing borrowings		170,038	153,179
Tax liabilities		5,808	5,790
Deferred income		537	537
Consideration payable		5,130	4,814
Lease liabilities		3,445	1,921
		<u>347,656</u>	<u>326,586</u>
Net current liabilities		<u>(196,268)</u>	<u>(189,451)</u>
Total assets less current liabilities		<u>31,101</u>	<u>79,375</u>

	<i>Note</i>	2020 RMB'000 (Unaudited)	2019 RMB'000 (Audited)
Non-current liabilities			
Interest-bearing borrowings		10,300	4,800
Deferred tax liabilities		17,456	17,561
Deferred income		7,632	5,438
Convertible bonds		72,624	72,824
Lease liabilities		11,813	10,648
		<u>119,825</u>	<u>111,271</u>
Net liabilities		<u>(88,724)</u>	<u>(31,896)</u>
Capital and reserves			
Share capital		2,556	2,179
Reserves		<u>(88,835)</u>	<u>(33,085)</u>
Equity attributable to owners of the Company		(86,279)	(30,906)
Non-controlling interests		<u>(2,445)</u>	<u>(990)</u>
Total deficits		<u>(88,724)</u>	<u>(31,896)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL

Comtec Solar Systems Group Limited (the “Company”) is a public limited company incorporated in the Cayman Islands, and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 October 2009. Its parent company and ultimate holding company is Fonty Holdings Limited (“Fonty”), a company incorporated in the British Virgin Islands with limited liability. Its ultimate controlling party is Mr. John Yi Zhang (“Mr. Zhang”) who is the chairman and a director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the annual report.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in research, production and sales of efficient mono-crystalline products, power storage products and lithium battery products and the provision of consulting services for investment, development, construction and operation of solar photovoltaic power stations.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

All financial information presented in RMB are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated. The financial statements have been prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and Hong Kong Financial Reporting Standards (“HKFRSs”). The financial statements have been prepared under the historical cost convention except for certain properties, intangible assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. The preparation of financial statements in conformity with HKFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

3. ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Group has adopted all the new and revised HKFRSs and Hong Kong Financial Reporting Interpretations Committee Interpretations (“IFRIC HK”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective HKFRSs and IFRIC HK. The adoption of these new and revised HKFRSs and IFRIC HK did not have any material effect on the financial results or position of the Group. New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4. SEGMENT INFORMATION

The Group is principally engaged in research, production and sales of efficient mono-crystalline products, provision of consulting services for investment, development, construction and operation of solar photovoltaic power stations and production and sales of power storage products. The Group has two operating and reportable segments for financial reportable purpose. The Group's segment (loss) profit is the (loss) profit before tax of the Group except that finance costs as well as corporate income and expenses are excluded from the measurement of segment (loss) profit.

The Group's reportable and operating segments are as follows:

- i. Upstream — Production and sales of efficient mono-crystalline products and trading of solar products
- ii. Downstream solar and power storage — Provision of consulting services for investment, development, construction and operation of solar photovoltaic power stations and production and sales of power storage products.

Segment revenues and results

	Upstream RMB'000 (Unaudited)	Downstream solar and power storage RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<i>For the year ended 31 December 2020</i>			
Revenue	203	54,812	55,015
Segment (loss) profit	(3,750)	1,935	(1,815)
Other income			5,354
Other gains and losses			(10,943)
Distribution and selling expenses			(1,014)
Other corporate expenses			(32,505)
Research and development expenses			(1,112)
Share of profit of a joint venture			134
Finance costs			(23,450)
Loss before tax			(65,351)

	Upstream <i>RMB'000</i> (Audited)	Downstream solar and power storage <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
<i>For the year ended 31 December 2019</i>			
Revenue	45,268	47,769	93,037
Segment (loss) profit	(10,756)	9,554	(1,202)
Other income			10,584
Other gains and losses			(41,085)
Reversal of impairment losses on trade receivables, net			619
Distribution and selling expenses			(4,109)
Other corporate expenses			(66,710)
Research and development expenses			(3,561)
Share of profit of a joint venture			794
Share of loss of an associate			(21)
Finance costs			(24,856)
Loss before tax			(129,547)

Geographical information

All of the Group's non-current assets, including property, plant and equipment, right-of-use assets, prepaid lease payments, investment properties, goodwill, intangible assets and deposits paid for acquisition of property, plant and equipment, are located in the group entities' countries of domicile at the end of each reporting period. The following table sets forth the details:

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
The PRC including Hong Kong SAR	226,954	257,357
Malaysia	—	2
	<u>226,954</u>	<u>257,359</u>

5. INCOME TAX CREDIT

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
Current tax		
PRC Enterprise Income Tax	(62)	53
	(62)	53
Deferred tax (Note 22)		
Current year	—	(942)
	(62)	(889)

No Hong Kong Profits Tax was provided for the years ended 31 December 2020 and 2019 as the group entities either had no assessable profits or incurred tax losses in Hong Kong.

PRC Enterprise Income Tax is calculated at the applicable tax rate of 25% in accordance with the relevant laws and regulations in the PRC.

6. DIVIDENDS

No dividend was paid, declared or proposed during the years ended 31 December 2020 and 2019.

7. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
Loss for the year		
Loss for the year attributable to owners of the Company	(63,896)	(122,060)
		(Adjusted)
Number of shares		
Weighted average number of ordinary shares	716,220,667	566,128,884

The number of shares for the year ended 31 December 2018 has been adjusted and restated to reflect the share consolidation during the year ended 31 December 2019.

The outstanding share options and conversion option of convertible bonds of the Company have not been included in the computation of diluted loss per share as they are anti-dilutive for the years ended 31 December 2020 and 2019.

8. TRADE AND OTHER RECEIVABLES

The following is an ageing analysis of trade receivables net of impairment based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Unaudited)
0 to 90 days	20,004	3,031
91 to 180 days	11,728	2,389
Over 180 days	8,321	13,140
	<u>40,053</u>	<u>18,560</u>

9. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables based on the invoice dates at the end of the reporting period:

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Unaudited)
Age		
0 to 90 days	7,257	8,466
91 to 180 days	2,488	1,377
181 to 365 days	10,727	9,384
Over 365 days	39,361	36,509
	<u>59,833</u>	<u>55,736</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, the Group has completed its business restructuring. We are embarking on new business initiatives, including the downstream solar businesses which specifically focus on rooftop distributed generation projects in industrial, commercial and residential buildings as well as its lithium batteries systems businesses for electric vehicles and power storage customers. In additions, we have fully suspended our remaining upstream manufacturing business which recorded operating losses in the last few years.

Certain policies issued by the Chinese government in 2018 still caused disruptions in the solar industry. Such policies are expected to continue to reduce feed-in-tariffs in China. It negatively impacted the industry demand. However, despite the short-term impacts caused by the new solar PV policies issued by the Chinese government, we still remain confident in the long-term sustainable growth of the industry as the technology of solar PV production is becoming increasingly cost efficient.

In order to enhance our profit amounts and profitability, the Group made continuous efforts to develop our downstream solar businesses which specifically focused on rooftop distributed generation projects on industrial and commercial buildings. The Group plans to gradually sell the completed projects to institutional investors to realize the revenues and profits from development, construction and investment of these projects. This will be one of the major sources of our revenues if the proposed sales come into fruition in future. In additions, we provide EPC services for downstream rooftop distributed generation projects to customers.

We expect the developments and growth prospects of the electric vehicle industry and the power storage industry to drive the growth and profitability of our Group in the future.

The above progress marked the Group's continuous efforts to develop and expand its new business initiatives. It would fuel the growth of the Group and enhance our profitability in the future.

To leverage on our advanced technological capabilities, high quality product offerings, premium customer bases, deep industrial experiences and the strategic partnership with reputable institutional investors, we are confident in our ability to capture enormous opportunities in the solar industry and to drive continued and healthy growth for the Group in the future.

FINANCIAL REVIEW

Revenue

Revenue decreased by RMB38.0 million, or 40.9%, from RMB93.0 million for the year ended 31 December 2019 to RMB55.0 million for the year ended 31 December 2020, primarily as a result of the decrease from the suspension of sales of our upstream solar wafers and ingots as well as the decrease of revenue from lithium batteries and power storage system business, although such decrease was partially mitigated by the increase in revenue from our downstream solar business.

Revenue from our downstream solar business mainly included EPC management service income, solar project development service income and power generation income. Such incomes increased by approximately RMB7.0 million, or 14.7%, from RMB47.8 million for the year ended 31 December 2019 to RMB54.8 million for the year ended 31 December 2020. Such revenues increases were mainly due to our continuous efforts and progress on project developments during the Period.

Cost of sales and services

Cost of sales and services decreased by RMB41.6 million, or 44.1%, from RMB94.2 million for the year ended 31 December 2019 to RMB52.7 million for the year ended 31 December 2020, which was in line with the decrease of revenue and the suspension of the upstream business during the year.

Other income

Other income for the year ended 31 December 2020 was approximately RMB5.4 million, representing a decrease of approximately RMB5.2 million, or 96.3%, from RMB10.6 million for the year ended 31 December 2019, which was mainly due to the decrease in government subsidy incomes received in 2019.

Other gains and losses

Other losses were approximately RMB10.9 million during the year ended 31 December 2020, representing a decrease by approximately RMB29.5 million or 72.8% from other losses of approximately RMB40.5 million for the year ended 31 December 2019 mainly due to the one-off other losses of the impairment on goodwill of approximately RMB63.1 million for the year ended 31 December 2019,

Distribution and selling expenses

Distribution and selling expenses decreased by RMB3.1 million, or 75.3%, from RMB4.1 million for the year ended 31 December 2019 to RMB1.0 million for the year ended 31 December 2020, primarily due to the decrease in sales volume as well as decrease in sales and marketing expense on the upstream solar manufacturing business during the Period.

Administrative and general expenses

Administrative and general expenses decreased by RMB30.0 million, or 45.0%, from RMB66.7 million for the year ended 31 December 2019 to RMB36.7 million for the year ended 31 December 2020, which was mainly due to the decrease in professional expenses incurred for financing and business development activities of the Group of approximately, the decrease in non-cash amortization expenses during the Period and the decrease in administrative and general expenses due to our continuous efforts to reduce operating expenses.

Interest expenses

Interest expenses amounted to RMB23.5 million and RMB24.8 million for the years ended 31 December 2020 and 31 December 2019 respectively. There was no material fluctuation of the interest expenses.

Loss before taxation

Loss before taxation was approximately RMB65.4 million for the year ended 31 December 2020, decreased by RMB64.1 million, or 50.5%, from approximately RMB129.5 million for the year ended 31 December 2019, due to the aforementioned factors.

Final dividend

The Board resolved not to declare final dividend for the year ended 31 December 2020 (2019: nil).

Liquidity and financial resources

The Group's principal sources of working capital for the year ended 31 December 2019 included cash inflow from operating activities, bank borrowings and the proceeds from issue of equity or debt securities. As at 31 December 2019, the Group's current ratio (current assets divided by current liabilities) was 0.4 (31 December 2018: 0.5) and it was in a net debt position of approximately RMB125.0 million (31 December 2018: approximately RMB145.5 million). The gearing ratio (total liabilities divided by total equity) was (13.7) (31 December 2018: 8.4). The Group had a working capital deficit (total consolidated current liabilities exceeded total consolidated current assets) of RMB189.5 million as of 31 December 2019 (31 December 2018: approximately RMB177.4 million). Also, the Group recorded net liabilities of approximately RMB31.9 million as of 31 December 2019 (31 December 2018: net assets of approximately RMB57.7 million).

Contingent liabilities

As at 31 December 2020, there was no material contingent liability (31 December 2019: RMBnil).

Charges on group assets

As at 31 December 2020 and 2019, the Group had restricted cash of approximately RMB21.2 million and RMB22.4 million respectively, and pledged its buildings, investment properties, right-of-use assets, prepaid lease payment, power station of downstream projects, inventory of downstream projects and account receivables of downstream revenue to various parties to secure financing facilities granted to the Group. Save as disclosed above, as at 31 December 2020, no other assets of the Group were charged.

OUTLOOK

Strategic Cooperation Framework Agreement

On 16 March 2021, the Company entered into a strategic cooperation framework agreement with Jiangsu Changzhou Tianning Economic Development Zone Management Committee and Changzhou Tianning Investment Service Centre. Pursuant to the said strategic cooperation framework agreement, the respective parties agreed to launch comprehensive cooperation in new energy asset trading platform, intelligent logistics and renewable energy business based on the principle of “equality and mutual benefit” so as to take complimentary advantages of their respective resources, expertise and experience. The details of the said strategic cooperation framework agreement are set out in the announcement of the Company dated 18 March 2021.

Potential Impact on Project Development

Upon the continuation of the coronavirus disease COVID-19, a series of precautionary and control measures have been and continued to be implemented in China and Hong Kong during 2020. The Group expects its project developments and construction to be less impacted and this may in turn affect the Group’s business performance will rebound in 2021.

Asset allocation

As we have fully suspended our upstream manufacturing business and to dispose of assets and properties with low utilization, we would also consider to dispose our factories at Shanghai and Haian if we receive an attractive offer from potential buyers.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance in the interests of Shareholders. During the Period, the Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

MODEL CODE

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Period.

AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 2 October 2009 with written terms of reference. The primary duties of the audit committee are to make recommendations to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee the internal control procedures of the Company. As at the end of the Period, the audit committee consists of four members, namely, Mr. Leung Ming Shu, Mr. Kang Sun, Mr. Xu Erming and Mr. Ma Teng all of whom are independent non-executive Directors. At that time, Mr. Leung Ming Shu was the chairman of the audit committee.

After the Period, the following changes to the composition of the audit committee occurred:

- Mr. Xu Erming resigned as an independent non-executive Director of the Company with effect from 29 January 2021 due to the need to spend more time on his other personal commitments.
- Mr. Leung Ming Shu resigned as an independent non-executive Director of the Company with effect from 10 February 2021 in order to pursue his other personal commitments.
- Mr. Li Shu Pai was appointed as an independent non-executive Director of the Company with effect from 22 February 2021. He was also appointed as the chairman of the audit committee. Mr. Li Shu Pai subsequently resigned from his positions with the Company with effect from 12 March 2021 in order to pursue his personal commitments.
- Mr. Jiang Qiang was appointed as an independent non-executive Director of the Company with effect from 12 March 2021. He was also appointed as the chairman of the audit committee.
- Mr. Kang Sun resigned as an independent non-executive Director of the Company with effect from 20 March 2021 due to the need to spend more time on his other personal commitments.

As at the date of this announcement, the audit committee consists of two members, namely Mr. Jiang Qiang and Mr. Ma Teng. Mr. Jiang Qiang is the chairman of the audit committee. Subsequent to the resignation of Mr. Kang Sun, the audit committee had insufficient members. Notwithstanding the limited number of members, the remaining members of the audit committee continued to perform the functions of the audit committee.

The audit committee has reviewed the Group's unaudited consolidated financial statements for the Period, including the accounting principles and practice adopted by the Group.

PURCHASE, SALE OF REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Saved as disclosed herein, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the Period.

DIVIDEND

The Board resolved that since the Company plans to reserve the cash for working capital requirement and any potential investment opportunities in the future, no dividend will be declared for the Period. The Company may consider its dividend policy in the future according to the financial results and performance of the Company, and the general industry and economic environment.

PUBLICATION OF UNAUDITED ANNUAL RESULTS AND ANNUAL REPORT

This unaudited annual results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (<http://www.comtecsolar.com>). The Annual Report will be dispatched to Shareholders and available on the same websites in due course.

APPRECIATION

The Company would like to take this opportunity to express my thanks and gratitude to the Group's management and staff who dedicated their endless efforts and devoted services, and to our Shareholders, suppliers, customers and bankers for their continuous support.

FURTHER ANNOUNCEMENT(S)

As the Group's business, subsidiaries, offices, commercial partners, fixed assets, inventories and power stations projects are concentrated and located in different provinces and municipalities in the PRC, the audit work conducted by the external auditors of the Company was substantively and significantly hindered and delayed by the outbreak of the coronavirus disease because of the travel and quarantine restrictions imposed by the local and state government in different provinces. Such restrictions had seriously disrupted the reporting and audit processes of the Group's financial statements to be carried out by the external auditors for the Period.

Following the completion of the audit, the Company will issue further announcement(s) in relation to (i) the audited annual results for the year ended 31 December 2020 as agreed by the auditor and the material differences (if any) as compared with the unaudited annual results contained herein; (ii) the proposed date on which the forthcoming annual general meeting will be held; and (iii) the period during which the Register of Members of the Company will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting. In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the audit.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITION

“1111”	1111 Limited, a company incorporated under the laws of Hong Kong
“Board” or “Board of Directors”	the board of Directors
“Company”	Comtec Solar Systems Group Limited
“Comtec Clean Energy”	Comtec Clean Energy Group Limited, a company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
“Comtec Solar China”	Comtec Solar (China) Investment Holding Ltd, a company incorporated under the laws of Hong Kong
“Comtec Windpark Renewable”	Comtec Windpark Renewable (Holdings) Co Ltd, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of US\$10.0 million due 2021 with interest rate per annum of 10.0% issued by the Company to Putana Limited, a company incorporated under the laws of British Virgin Islands and an independent third party, and such issuance was completed and closed on 31 July 2018
“Corporate Governance Code”	Code on corporate governance practices contained in the Appendix 14 to the Listing Rules
“Directors(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“ISDN”	ISDN Investments Pte Ltd, a company registered under the laws of the Republic of Singapore and a wholly-owned subsidiary of ISDN Holdings
“ISDN Holdings”	ISDN Holdings Limited, a company incorporated in the Republic of Singapore and dually listed on the Main Board of the Stock Exchange (stock code: 1656) and the Stock Exchange of Singapore (stock code: 107.SI)
“Kexin”	Zhejiang Kexin Power System Design and Research Company Limited (鎮江科信動力系統設計研究有限公司), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model code for securities transactions by directors of listed issuers contained in Appendix 10 to the Listing Rules
“Mr. Hong”	Mr. Hong Guorong (洪國榮), an individual resident in Hong Kong, who was allotted and issued 72,727,273 Unconsolidated Shares following a subscription which completed on 17 July 2019
“MW”	megawatt, which equals 106 Watt
“NDRC”	the National Development and Reform Commission of the PRC
“Period”	the year ended 31 December 2019
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“PV”	Photovoltaic
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Share Consolidation”	the share consolidation of every four issued and unissued Unconsolidated Shares into one (1) Share

“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The9”	The9 Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands which has American depositary shares listed on the NASDAQ under trading symbol “NCTY”
“Tianjin Comtec”	Tianjin Comtec Earth Shell Solar Technology Co., Ltd.* (天津卡姆丹克地殼光伏科技有限公司), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
“Tianjin Shell”	Shell (Tianjin) Lubricants Co., Ltd* (殼牌(天津)潤滑油有限公司)
“Unconsolidated Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company prior to the Company’s share consolidation which took effect on 28 August 2019
“USD”	United States dollars, the lawful currency of the United States of America
“Zhuhai Comtec”	Zhuhai Comtec Dirun Solar Technology Co., Ltd.* (珠海卡姆丹克地潤光伏科技有限公司), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
“Zhuhai Shell”	Shell (Zhuhai) Lubricants Co., Ltd* (殼牌(珠海)潤滑油有限公司)
“*”	For identification only
“%”	per cent

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

Shanghai, the People’s Republic of China, 31 March 2021

As at the date of this announcement, the executive Director is Mr. John Yi Zhang, the non-executive Directors are Mr. Dai Ji and Mr. Qiao Fenglin, and the independent non-executive Directors are Mr. Ma Teng and Mr. Jiang Qiang.