

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT
QUARTERLY BUSINESS UPDATE

This announcement is published by Comtec Solar Systems Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

Reference is made to the annual report (the “**2025 Annual Report**”) of the Company for the year ended 31 December 2025 published on 30 April 2026, and the interim report of the Company for the six months ended 30 June 2026 published on 30 September 2026 (the “**2026 Interim Report**”). Unless otherwise defined, capitalised terms defined in the aforementioned documents shall have the same meanings when used in this announcement.

The Company has disclosed certain plans and measures in the 2025 Annual Report and the 2026 Interim Report to address the going concern issue. The Board wishes to update the shareholders and potential investors of the Company that as at the date of this announcement, the latest developments of the Group and the measures implemented by the Group to mitigate its liquidity pressure and improve its financial position are as follows:

PROGRESS ON NEGOTIATIONS REGARDING DEFAULTED AND OVERDUE INDEBTEDNESS

The Group continues to negotiate with its major creditor(s) and/or strategic investor(s) (including major creditor(s) such as Pandana) regarding solutions for the outstanding defaulted and overdue indebtedness (the “**Debt Restructuring**”), which cover a range of possible arrangements, including debt capitalisation through the issuance of ordinary shares, convertible preference shares and convertible bonds, as well as various potential measures such as the optimisation of interest rates and the extension of repayment terms. As at the date of this announcement, the Company has reached an agreement in principle with major creditor(s) on potential solutions such as debt capitalisation and/or debt rollovers, and the parties are in the course of negotiating and finalising the detailed terms with a view to entering into definitive agreement(s). The Company will make further announcement(s) upon entering into any definitive agreement(s). Meanwhile, the Company has conducted preliminary communications with regulatory authorities regarding the relevant matters and is consulting professional advisers for opinions. Given the large scale of the indebtedness involved and the potential issuance which may result in a significant dilutive effect, the Company may need to apply to regulatory authorities for relevant waivers (if applicable). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

The Board is currently preparing certain corporate initiatives, including a potential share consolidation (in order to comply with relevant compliance requirements such as the Listing Rules, thereby ensuring the smooth advancement and implementation by the Company of the aforementioned potential measures such as debt capitalisation to facilitate reaching a debt settlement solution with creditors). The Board emphasises that it will actively pursue and adopt solutions that maximise the overall interests of the Company while strictly complying with the Listing Rules and applicable laws and regulations.

The Directors consider that the Debt Restructuring, if implemented, is expected to enable the Group to reduce its current liabilities and strengthen its working capital position without incurring immediate cash outflow, reduce the Group’s ongoing interest burden and preserve available cash for general working capital purposes, narrow its net current liabilities position, and reduce a portion of the Group’s net liabilities, thereby helping to restore the Group’s financial position to a healthier condition. Any finalised solution is subject to further consideration by the Board, compliance with the Listing Rules and, if required, shareholders’ and/or independent shareholders’ approval. Further announcement(s) will be made by the Company as and when appropriate.

UPDATE ON FINANCIAL POSITION AND LIQUIDITY

During the six months ended 30 June 2026, benefiting from the appreciation of RMB against USD and HKD, and as a substantial portion of the Group’s indebtedness is denominated in USD or HKD, the resulting foreign exchange gains have had a positive impact on the reported results of the Group for the period as at 30 June 2026 and its liability position as at 30 June 2026. Such foreign exchange gains are mainly non-cash in nature and may fluctuate with future movements in exchange rates.

Furthermore, the Group has slightly improved its financing structure and secured long-term loan(s) (i.e. the new bank loans carrying interest at approximately 4% per annum and repayable by instalments over six years), leading to an increase in non-current borrowings, while narrowing its net current liabilities and improving its overall liability position and current ratio. This reflects the Group's ability to secure long-term financing at a more sustainable cost, thereby enhancing its liquidity resilience and supporting its efforts to address the going concern issue and develop its business.

UPDATE ON BUSINESS OPERATIONS AND ENERGY BUSINESS

The Group continues to develop its EPC business and to promote the flywheel-lithium iron phosphate battery hybrid energy storage system and other energy-storage opportunities.

The Group is one of the pioneering investors in flywheel energy-storage technology in the PRC and has established a presence in Shanxi Province through its minority interest in the Yongji Flywheel Project (which commenced commercial operation and grid connection on 1 March 2025) and related EPC experience. Leveraging its technological experience and established presence in Shanxi, the Group will continue to seek additional contracts for similar flywheel-lithium iron phosphate hybrid energy-storage systems and related photovoltaic projects in Shanxi, and to extend its reach to the central and western parts of the PRC.

During the six months ended 30 June 2026, EPC business revenue (particularly from power-storage projects) increased substantially, more than offsetting the modest reduction in power-generation income caused by fewer sunshine hours. The Group continues to pursue further EPC opportunities arising from the Yongji model and the broader policy support for renewable energy and energy storage under the national “carbon peaking” and “carbon neutrality” goals.

Regarding the Fushan Flywheel Project (an energy-storage project with a total capacity of 150 MW located in Fushan County, Shanxi Province), the Board approved proceeding with the project on 24 December 2025. The Fushan Flywheel Project is expected to generate stable revenue if successfully completed, connected to the grid and commencing power generation. The Group continues to advance the necessary work to meet governmental and regulatory requirements (including those under the Listing Rules).

ASSET OPTIMISATION AND PROJECT FINANCING

The Group continues to seek opportunities to optimise its asset portfolio and to secure project financing. In particular, the Group is preparing for the potential disposal of the Nantong factory site as part of its asset optimisation programme. Concurrently, the Group is actively exploring various project-financing avenues, including bank loans, financial leases and other structured financing solutions, to support the development of its energy-storage and EPC projects at competitive costs of capital.

The Group believes that continued investment in green-energy and energy-storage projects in the PRC, supported by favourable national policies, presents substantial growth opportunities. The Directors will continue their debt-restructuring efforts, asset optimisation, the pursuit of lower-cost long-term capital, and the expansion of the EPC and flywheel-related businesses.

RISK WARNING

Shareholders and potential investors of the Company should note that:

- (1) the proposed solutions for the defaulted and overdue indebtedness (i.e. the Debt Restructuring, including debt capitalisation through the issuance of ordinary shares, convertible preference shares and convertible bonds, as well as multiple potential measures such as the optimisation of interest rates and the extension of repayment terms), business development plans, investments, project financing arrangements and corporate initiatives (including a potential share consolidation) remain in the preparation or negotiation stage, and may or may not materialise or ultimately be reached; and
- (2) if the Debt Restructuring or the relevant issuance of securities materialises and is implemented, it will involve corporate initiatives such as share consolidation, issuance of new shares and/or convertible securities of the Company, which may have a significant dilutive effect on the equity interests of the shareholders of the Company, and may cause the price of the shares of the Company to be affected or adjusted.

Further announcement(s) will be made by the Company in accordance with the requirements under the Listing Rules as and when appropriate to keep the shareholders and potential investors of the Company informed of any material developments in relation to the above matters.

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
Comtec Solar Systems Group Limited
Qiao Fenglin
Non-executive Director

Beijing, the PRC, 6 October 2026

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. Jiang Qiang, Dr. Yan Ka Shing and Ms. Qiu Ping Maggie.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.