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)

BUSINESS UPDATE

STRATEGIC COOPERATION AGREEMENT IN RELATION TO SMART ENERGY CHARGING FACILITIES PROJECT IN LUOYANG

This announcement is made by Comtec Solar Systems Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

The board (the "**Board**") of the Company is pleased to announce that, on 10 January 2017, Comtec Renewable Energy (Jiangsu) Co., Ltd.* (卡姆丹克清潔能源(江蘇)有限公司) ("**Comtec Clean Energy**"), a wholly-owned subsidiary of the Company, entered into a strategic cooperation agreement (the "**Cooperation Agreement**") with Luoyang Tourism Development Group Co., Ltd.* (洛陽旅遊發展集團有限公司) ("**Luoyang Tourism Group**") in relation to the proposed exclusive cooperation in the investment, establishment, development and operation of the smart energy charging facilities project in Luoyang (the "**Project**").

THE COOPERATION AGREEMENT

Date

10 January 2017

Parties to the Cooperation Agreement

1. Comtec Clean Energy; and

2. Luoyang Tourism Group.

Material terms of the Cooperation Agreement

Pursuant to the Cooperation Agreement, Comtec Clean Energy and Luoyang Tourism Group intended to, among others, cooperate in relation to the Project, in the following manners:

— The parties shall together establish a joint venture project company (the "**JV**") to implement the Project in accordance with the relevant applicable laws and regulations. It is proposed that the JV shall be established in Luoyang and owned as to 50% by Comtec Clean Energy and 50% by Luoyang Tourism Group and the board of directors of the JV shall consist of three members, two of whom shall be appointed by Luoyang Tourism Group and one shall be appointed by Comtec Clean Energy, subject to the definitive agreement.

— The parties shall apply their respective funding resources to the Project in proportion to their respective shareholding in the JV. The exact capital structure and scale of the JV shall be confirmed in the definitive agreements to be signed in writing by the parties. As at the date of this announcement, no definitive agreements have been entered into or under negotiation. Luoyang Tourism Group shall leverage on its own platform advantages to assist the JV to apply with the financial institutions in Henan Province for certain cost-competitive debt financing.

— The parties shall select their own commercial and technical staff to together build a project team with no fewer than four people for the preliminary negotiation. Luoyang Tourism Group shall, in accordance with the relevant applicable rules and regulations, assist the JV to obtain certain favorable policy support and necessary licenses and approvals for the Project. Comtec Clean Energy shall take advantages of its own product strengths and industrial experience to provide competitive products and proposals.

— To maintain the state-owned assets of Luoyang Tourism Group, upon the maturity of the financing for the Project or the eighth year following the operation of the Project, Louyang Tourism Group is entitled to request Comtec Clean Energy to purchase the 50% equity interest owned by Luoyang Tourism Group in the JV on a priority basis, subject to the definitive agreements.

— After the execution of and during the implementation of the Cooperation Agreement, parties shall exclusively cooperate with each other in relation to the Project in Luoyang Province.

REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT

Since September 2016, the Group commenced to expand into the business of downstream solar project development, which the Directors believe would fuel the growth of the Group. The Cooperation Agreement marks the Group's efforts to step into the electric vehicle smart energy charging industry, which is under great support and encouragement of the domestic government, thus providing the Group with favorable opportunities to further expand into downstream solar business with a view to creating synergy through integration of the downstream solar business with the Group's existing upstream solar business of the Group.

Thus the Directors (including the independent non-executive Directors) are of the view that the Cooperation Agreement is in the best interest of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE GROUP

Comtec Clean Energy is a wholly-owned subsidiary of the Company. The Company and its subsidiaries are principally engaged in the research, production and sales of efficient mono-crystalline products and the investment, development, construction and operation of solar photovoltaic power stations.

INFORMATION ON LUOYANG TOURISM GROUP

Luoyang Tourism Group, a state-owned enterprise wholly owned by Luoyang Municipal Government, is mainly engaged in investment in and financing for the tourism industry in Luoyang.

Shareholders and investors of the Company should note that the transactions contemplated under the Cooperation Agreement is subject to the entering into of the definitive agreement(s) by the parties and the relevant terms and conditions have not yet been finalised and therefore the transactions may or may not materialize. In the event any definitive agreement is entered into, further announcement(s) will be made if and when required or as appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Shareholders and investors of the Company should exercise caution when dealing in the shares of the Company.

* *for identification purpose only*

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

Shanghai, the People's Republic of China, 10 January 2017

As at the date of this announcement, the executive Directors are Mr. John Yi Zhang, Mr. Chau Kwok Keung and Mr. Zheng Zhen, the non-executive Directors 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.