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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 28 June 2024 (after trading hours, and before the 2024 AGM), the Company entered into the Subscription Agreements, with the Subscribers, all being Independent Third Parties, whereby the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue an aggregate of 180,316,300 Subscription Shares at the Subscription Price of HK$0.117 each.

The Subscription Shares represent approximately 17.01% of the total number of Shares in issue as at the date of this announcement and approximately 14.54% of the total number of Shares in issue and as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no changes in the issued share capital of the Company between the date of this announcement and the date of allotment and issue of the Subscription Shares. The Subscription Price of HK$0.117 per Subscription Shares represents: (i) a discount of approximately 19.86% to the closing price of HK$0.146 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) a discount of approximately 18.30% over the average closing price of HK$0.1432 per Share as quoted on the Stock Exchange for the last five consecutive trading days before the date of this announcement.

Upon completion of the First Subscription Agreement, and the Second Subscription Agreement, the Company shall be deemed to have settled, in parts, certain borrowings from the First Subscriber and the Second Subscriber in the amount of approximately HK$6.78 million. The gross proceeds raised from the Second Subscription Agreement will approximately be HK$6.78 million and the net proceeds, after deduction of the relevant expenses, will be approximately HK$6.28 million. The Company intends to apply all the net proceeds from the Second Subscription for working capital of the Group, and repayment of the Group's borrowings and amounts payable.

The Subscription Shares will be allotted and issued under the General Mandate.

Since completion of each of the Subscription Agreements is subject to the fulfilment of the conditions precedent respectively thereunder, the transactions contemplated under each of the Subscription Agreements may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENTS

On 28 June 2024 (after trading hours, and before the 2024 AGM), the Board is pleased to announce that, the Company and each of the Subscribers, each an Independent Third Party, entered into the Subscription Agreements, respectively, pursuant to which each of the First Subscriber and the Second Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 62,820,511 First Subscription Shares and 117,495,789 Second Subscription Shares, respectively or an aggregate of 180,316,300 Subscription Shares, at the Subscription Price of HK$0.117 each.

The subscription amount payable under each Subscription Agreement shall be satisfied by:

1. the First Subscriber by capitalising an outstanding amount of HK$7.35 million owing by the Company to the First Subscriber;

2. the Second Subscriber by capitalising an outstanding amount of HK$6.96 million owing by the Company to the Second Subscriber and payment of approximately HK$6.78 million to the Company.

Each of the Subscription Agreements is not inter-conditional upon each other.

Principal terms of the First Subscription Agreement

Date: 28 June 2024

Parties: (i) the Company, as issuer; and

(ii) the First Subscriber

As at the date of this announcement, the Company is indebted to the First Subscriber and its subsidiaries amounting to approximately HK$51.0 million.

In consideration of the First Subscriber agreeing to partially capitalise an amount of HK$7,350,000 (the "**China Success Payables**") owing to the First Subscriber, the Company conditionally agreed to allot and issue to the First Subscriber and/or its nominee, and the First Subscriber conditionally agreed to subscribe for 62,820,511 First Subscription Shares at the Subscription Price.

Upon completion of the First Subscription Agreement, the China Success Payables shall be deemed to have been fully repaid.

Principal terms of the Second Subscription Agreement

Date: 28 June 2024

Parties: (i) the Company, as issuer; and

(ii) the Second Subscriber

As at the date of this announcement, the Company is indebted to the Second Subscriber amounting to approximately HK$6.96 million.

The Company conditionally agreed to allot and issue to the Second Subscriber and/or its nominee, and the Second Subscriber conditionally agreed to subscribe for 117,495,789 Second Subscription Shares at the Subscription Price. The subscription amount payable by the Second Subscriber under the Second Subscription Agreement shall be satisfied by capitalising the outstanding loan of HK$6,964,920 (the "**Sun Da Loan**") owing by the Company to the Second Subscriber and by paying of HK$6,782,087 to the Company at completion of the Second Subscription Agreement.

The net proceeds raised from the Second Subscription, after deduction of the relevant expenses, will be approximately HK$6,282,087 The Company intends to apply all the net proceeds from the Second Subscription for working capital of the Group, and repayment of the Group's borrowings and amounts payable.

Upon completion of the Second Subscription Agreement, the Sun Da Loan shall be deemed to have been fully repaid.

Conditions precedent to the respective Subscription Agreements

Completion of the respective Subscription Agreements is conditional upon the following conditions being satisfied or waived (as the case may be):

(1) listing of and permission to deal in the Subscription Shares to the respective Subscribers being granted by the Listing Committee (and such permission and listing not subsequently being revoked prior to Completion);

(2) the Shares remaining listed and traded on the Stock Exchange, and no queries or opposition being received or anticipated to be received from the Stock Exchange on the listing status of the Company;

(3) the parties to each of the Subscription Agreements having obtained all necessary consents, approvals and permission (if applicable) from the relevant organisations, regulatory bodies, government authorities (including the Stock Exchange) as may be required to be obtained in respect of the transactions contemplated under the respective Subscription Agreements;

(4) the warranties given by the Company under the respective Subscription Agreement(s) remaining true, accurate, complete and correct in all material respects and not misleading in any respect up to Completion;

(5) the warranties given by the respective Subscribers under the respective Subscription Agreement(s) remaining true, accurate, complete and correct in all material respects and not misleading in any respect up to Completion; and

(6) the Company shall, at its own discretion, regardless of whether the Subscribers have fulfilled and complied with all other terms and conditions of the respective Subscription Agreement(s), determine that the prevailing market conditions justify the completion of the Subscription.

For each of the Subscription Agreements, save for condition (4) which is capable of being waived by the Subscriber(s) and conditions (5) and (6) which are capable of being waived by the Company, none of the above-mentioned conditions is waivable. In the event that not all the conditions having been fulfilled on or before the Long Stop Date for the respective Subscription Agreements, the respective Subscription Agreements shall terminate and none of the parties to the Subscription Agreements shall have any claim or liability or obligation to the other party save in respect of any antecedent breach.

Completion of the Subscription Agreements shall take place in whole or in parts on the fifth Business Day after the fulfilment of all the conditions precedent (or such other date to be agreed by the respective parties to the Subscription Agreements).

Each of the Subscription Agreements is not inter-conditional upon each other.

INFORMATION OF THE SUBSCRIBERS

The First Subscriber

The First Subscriber, China Success Investment Group Limited (中盛投資集團有限公司) ("**China Success Investment Group**") is a company incorporated in the BVI with limited liability and is controlled by Mr. Chang Loong Cheong (張龍翔) ("**Mr. Chang**"). To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the First Subscriber is an Independent Third Party.

China Success Investment Group was founded by Mr. Chang in 2015. It is a private investment group with investment focus in various industries, including but not limited to green energy, finance and information technology, healthcare and telecommunications, and a substantial shareholder of a Qualified Domestic Limited Partnership (QDLP) in the PRC.

Mr. Chang is currently the chairman and director of China Success Investment Group and the QDLP private equity fund management company. Mr. Chang previously acted as a director of, and held senior positions and/or senior advisory capacity in, several renowned enterprises including companies listed on the Stock Exchange, New York Stock Exchange and Shanghai Stock Exchange. Mr. Chang has extensive experience in the shipping logistics, cultural tourism and real estate, financial and information technology, telecommunication infrastructure and green energy industries.

The Second Subscriber

The Second Subscriber, Mr. Sun Da (孫達) ("**Mr. Sun**"), is a seasoned investor with investment focus in infrastructure, new energy, environmental protection and technology sectors. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Second Subscriber is an Independent Third Party.

SUBSCRIPTION SHARES AND SUBSCRIPTION PRICE

The Subscription Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the completion of the two Subscription Agreements, each of the 62,820,511 First Subscription Shares, and 117,495,789 Second Subscription Shares and the total of which (i.e. 180,316,300 Subscription Shares) which may be allotted and issued under the Subscription Agreements represent (i) approximately 5.93%, 11.09% and a total of 17.01% of the existing number of issued Shares as at the date of this announcement; and (ii) approximately 5.07%, 9.47% and a total of 14.54% of the number of issued Shares as enlarged by the allotment and issue of all the Subscription Shares respectively.

The aggregate nominal value of the Subscription Shares is approximately HK$721,265.20.

The Subscription Price

The Subscription Price of HK$0.117 per Subscription Share:

(i) represents a discount of approximately 19.86% to the closing price of HK$0.146 per Share as quoted on the Stock Exchange as at the date of this announcement; and

(ii) represents a discount of approximately 18.30% over the average of the closing price of HK$0.1432 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers with reference to the prevailing market prices of the Shares as well as current market condition. The Directors considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net issue price, after deduction of relevant expenses, is estimated to be approximately HK$0.1142 per Subscription Share.

Ranking of the Subscription Shares

The Subscription Shares when fully paid, allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of their allotment and issue.

Application for listing

An application will be made by the Company to the Listing Committee for the grant of the listing of, and permission to deal in, the Subscription Shares.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the 2023 AGM held on 30 June 2023. Under the General Mandate, the Directors are authorized to allot, issue or deal with up to 180,316,300 new Shares (representing 20% of the number of Shares in issue on the date which the General Mandate was granted). At the time of signing of the Subscription Agreements, the General Mandate has not been utilized and expired and thus the Subscription Shares will be allotted and issued under the General Mandate and shall not be subject to any further approval by the Shareholders.

The First Subscription Shares and the Second Subscription Shares to be allotted and issued will utilise approximately 34.84% and 65.16% of the General Mandate respectively or in aggregate 100% of the General Mandate.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not carried out other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised (the "Proceeds") (approximately)	Intended use of the Proceeds	Actual usage of the Proceeds and their utilisation
30 June 2023 (the "**June 2023 Announcement**")	Subscription of 158,341,800 new Shares	HK$8.71 million	Approximately HK$3.31 million and HK$5.90 million (before deducting any relevant expenses) would be allocated to fund the business development of intelligent logistics and renewable energy business and working capital of the Group's headquarter in the PRC and repay the Group's borrowings and amounts payable, respectively	All the Proceeds (after deducting the relevant expenses) had been utilised as per the intended use of the Proceeds as at the date of this announcement

EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,059,923,412 Shares in issue. Assuming there will be no further changes in the issued share capital of the Company between the date of this announcement and immediately prior to the allotment and issue of the Subscription Shares in full, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the 180,316,300 Subscription Shares in full, are set out as below for illustration purposes only:

Shareholders	**Shareholding as at the date of this announcement**		**Shareholding immediately after the allotment and issue of the Subscription Shares in full**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Mr. John Yi Zhang *(Note 1)*	142,470,887	13.44	142,470,887	11.49
Mr. Dai Ji	67,500,000	6.37	67,500,000	5.44
Wu Jun	95,238,094	8.98	95,238,094	7.68
Zhao Xiaoqun	67,976,316	6.41	67,976,316	5.48
First Subscriber	105,000,000	9.91	167,820,511	13.53
Second Subscriber	104,885,179	9.90	222,380,968	17.93
Other public Shareholders	476,852,936	44.99	476,852,936	38.45
Total	1,059,923,412	100.00	1,240,239,712	100.00

Note:

1. Mr. John Yi Zhang ("**Mr. Zhang**") legally and beneficially owns the entire issued share capital of Fonty Holdings Limited ("**Fonty**"), which beneficially owns 130,513,461 Shares. Mr. Zhang is therefore deemed to be interested in all the Shares held by Fonty. For the purpose of the SFO, Mr. Zhang is also deemed to be interested in 11,957,426 Shares owned by Zhang Trusts For Descendants as the founder of the trust.

REASONS FOR AND BENEFIT OF THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENTS

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.

As at 31 December 2023, the Group had net current liabilities of approximately RMB157.5 million and the net liabilities of approximately RMB134.4 million, respectively, among which (i) other payables and accruals were approximately RMB138.4 million; and (ii) interest-bearing borrowings (including loans from shareholders) and convertible bonds were approximately RMB70.8 million. The Directors consider that the Subscription will (i) allow the Company to settle the outstanding sums owing by the Company to the Subscribers without utilising existing financial resources of the Group to reduce the gearing level of the Group; and (ii) it also represents a good opportunity to raise additional funds from the Second Subscriber for the Group to improve its working capital position, and hence strengthening the financial position of the Group. In view of the above and taking into account the Subscription Price for the allotment and issue of new Shares to the Subscribers, the Directors consider that the terms of each of the Subscription Agreements including the Subscription Price are on normal commercial terms, fair and reasonable and the entering into of each of the Subscription Agreements is in the interests of the Company and the Shareholders as a whole.

Since completion of each of the Subscription Agreements is subject to the fulfilment of the conditions precedent respectively thereunder, the transactions contemplated under each of the Subscription Agreements may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

"2023 AGM"	the annual general meeting of the Company held on 30 June 2023
"2024 AGM"	the annual general meeting of the Company to be held on 28 June 2024 at 5:00 p.m.
"Board"	board of the Directors
"Business Day(s)"	a day (other than Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business during their normal business hours
"BVI"	British Virgin Islands
"Company"	Comtec Solar Systems Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 712)
"Completion"	completion of the Subscription pursuant to the respective Subscription Agreements

"connected person"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"First Subscriber"	China Success Investment Group Limited, a company incorporated in the BVI and controlled by Mr. Chang Loong Cheong, an Independent Third Party
"First Subscription Agreement"	the subscription agreement dated 28 June 2024 entered into between the Company and the First Subscriber in respect of the Subscription
"First Subscription Share(s)"	62,820,511 new Shares to be allotted and issued under the First Subscription Agreement at the Subscription Price
"General Mandate"	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the 2023 AGM to allot, issue and deal with up to 180,316,300 Shares, representing 20% of the then issued share capital of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 December 2024 (or such other date as the relevant parties may agree in writing)
"PRC"	The People's Republic of China
"Second Subscriber"	Mr. Sun Da, an Independent Third Party
"Second Subscription Agreement"	the subscription agreement dated 28 June 2024 entered into between the Company and the Second Subscriber in respect of the Subscription

"Second Subscription Share(s)"	117,495,789 new Shares to be allotted and issued under the Second Subscription Agreement at the Subscription Price
"Shareholder(s)"	holder(s) of the Share(s)
"Shares"	the ordinary share(s) of nominal value of HK$0.004 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	collectively the First Subscriber and the Second Subscriber
"Subscription"	the subscription of 180,316,300 Subscription Shares in total at the Subscription Price pursuant to terms and conditions of the Subscription Agreements
"Subscription Agreement(s)"	collectively the First Subscription Agreement and the Second Subscription Agreement, and each a "Subscription Agreement"
"Subscription Price"	the issue price of HK$0.117 per Subscription Share for the Subscription
"Subscription Share(s)"	new Shares to be allotted and issued under the Subscription Agreements at the Subscription Price, and each a "Subscription Share"
"%"	per cent.

By order of the Board
Comtec Solar Systems Group Limited
Qiao Fenglin
Non-executive Director

Shanghai, the PRC, 28 June 2024

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.