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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)**

**PROPOSED SHARE CONSOLIDATION**

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The Board proposes to implement the Share Consolidation on the basis that every four issued and unissued Existing Shares with a par value of HK\$0.001 each will be consolidated into one (1) Consolidated Share with a par value of HK\$0.004 each.

The Share Consolidation is conditional upon, among other things, (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation and (ii) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares.

**PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

**GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. The circular containing, among other things, further details of the Share Consolidation and the notice of the EGM is expected to be despatched to the Shareholders on or before Friday, 9 August 2019.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in paragraphs headed “Conditions of the Share Consolidation” below. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every four issued and unissued Existing Shares with a par value of HK\$0.001 each will be consolidated into one (1) Consolidated Share with a par value of HK\$0.004 each.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$7,600,000 divided into 7,600,000,000 Existing Shares with a par value of HK\$0.001 each, of which 2,097,703,580 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming that the Company does not allot, issue or repurchase any Existing Shares from the date hereof until the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$7,600,000 divided into 1,900,000,000 Consolidated Shares with a par value of HK\$0.004 each, of which 524,425,895 Consolidated Shares will be in issue.

### **Status of the Consolidated Shares**

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which will not be allocated to the Shareholders who may otherwise be entitled to.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued (including the Consolidated Shares which may fall to be allotted and issued upon exercise of each of the existing share options and the conversion rights attaching to the convertible notes) upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation.

The Share Consolidation will become effective on the second Business Day immediately following the fulfilment of the above conditions.

### **Application for the listing of the Consolidated Shares**

An application will be made by the Company to the Listing Committee for granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued (including the Consolidated Shares which may fall to be allotted and issued upon exercise of each of the existing share options and the conversion rights attaching to the convertible notes) upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Board lot size**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.072 per Existing Share (equivalent to the theoretical closing price of HK\$0.288 per Consolidated Share) as at the date of this announcement, (i) the value of each board lot of the Existing Shares is HK\$144; (ii) the value of each board lot of 2,000 Consolidated Shares would be HK\$576; and (iii) the estimated value per board lot of 10,000 Consolidated Shares would be HK\$2,880 assuming that the change in board lot size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder.

**Shareholders concerned about losing out any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant and/or other professional adviser and may wish to consider the possibility of buying or selling a sufficient number of Existing Shares to make up an entitlement to receive a whole number of Consolidated Shares.**

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares as a result of the Share Consolidation, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 28 August 2019, being the second Business Day immediately following the fulfilment of the conditions set out in the section headed “Conditions of the Share Consolidation” of this announcement, Shareholders may during the period from Wednesday, 28 August 2019 to Friday, 4 October 2019 (both days inclusive), submit their existing share certificates for the Existing Shares, which are in blue colour, to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited (the “**Company’s Branch Share Registrar**”) at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong to exchange for new share certificates for the Consolidated Shares, which will be in pink colour, at the expense of the Company.

It is expected that new share certificates for the Consolidated Shares will be available for collection within 10 Business Days from the date of submission for the exchange. Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such other amount as may from time to time be

specified by the Stock Exchange) will be payable by the Shareholders to the Company's Branch Share Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

After 4:30 p.m. on Friday, 4 October 2019, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

## **ADJUSTMENTS TO OTHER SECURITIES OF THE COMPANY**

### **Convertible Bonds**

As at the date of this announcement, the Company has outstanding convertible bonds in the principal amount of US\$10,000,000 and the number of conversion shares which fall to be issued shall be calculated by the principal amount of the bonds being converted and the conversion price of HK\$0.174 per Existing Share on the relevant conversion date. The Share Consolidation may cause adjustments to the conversion price and/or the number of Consolidated Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to these convertible bonds. The Directors will determine if any adjustments are required to be made in respect of the above as a result of the Share Consolidation. Further details in this regard will be disclosed in the Circular where appropriate.

### **Existing Share Options**

As at the date of this announcement, there are outstanding share options entitling the holders thereof to subscribe for up to an aggregate of 279,220,000 Existing Shares. The Share Consolidation may cause adjustments to the exercise prices of these share options. The Directors will determine if any adjustments are required to be made in respect of the above as a result of the Share Consolidation. Further details in this regard will be disclosed in the Circular where appropriate.

### **Joy Boy Consideration Shares**

As at the date of this announcement, there is a maximum of 86,551,078 Joy Boy Consideration Shares which may be allotted and issued by the Company pursuant to the relevant sale and purchase agreement, subject to satisfaction of certain conditions. The Share Consolidation may cause adjustments to the issue prices of these Joy Boy Consideration Shares. The Directors will determine if any adjustments are required to be made in respect of the above as a result of the Share Consolidation. Further details in this regard will be disclosed in the Circular where appropriate.

### **Forum Asia Consideration Shares**

As at the date of this announcement, there is a maximum of 166,159,226 Forum Asia Consideration Shares which may be allotted and issued by the Company pursuant to the relevant sale and purchase agreement, subject to satisfaction of certain conditions. The Share Consolidation may cause adjustments to the issue prices of these Forum Asia Consideration

Shares. The Directors will determine if any adjustments are required to be made in respect of the above as a result of the Share Consolidation. Further details in this regard will be disclosed in the Circular where appropriate.

Save for the aforesaid, as at the date of this announcement, the Company has no other outstanding options, warrants or securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

## **REASONS FOR THE SHARE CONSOLIDATION**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 3 July 2018 has further stated that (i) any trading price less than HK\$0.10 will be considered as approaching the extremities of HK\$0.01 as referred to under Rule 13.64 of the Listing Rules and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

In view of the prevailing trading price of the Existing Shares which is approaching the abovementioned threshold of extremities and the value per board lot being less than HK\$2,000, the Board proposes to implement the Share Consolidation. The proposed Share Consolidation will increase the nominal value of the Shares and reduce the number of Shares currently in issue. It is expected to bring about a corresponding upward adjustment in the trading price per Consolidated Shares on the Stock Exchange and increase the trading value of each board lot to a reasonable level. The Board believes that the higher trading price of the Consolidated Shares will enhance the Company’s corporate image and therefore attract investors to invest in the Company which is beneficial to both the Company and the Shareholders.

Save for the relevant expenses, including but not limited to professional fees and printing charge to be incurred by the Company, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests or rights of the Shareholders.

Given the foregoing, the Company considers the proposed Share Consolidation is justifiable in light of the potential costs and to maintain compliance with the Listing Rules. Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund

raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

## **EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the fulfilment of the conditions of the Share Consolidation and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the EGM ..... Friday, 9 August 2019

Latest date and time for lodging transfer documents  
in order to qualify for attending and voting at the EGM ..... 4:30 p.m. on Tuesday,  
20 August 2019

Closure of the register of members for the entitlement  
to attend and vote at the EGM ..... Wednesday, 21 August 2019  
to Monday, 26 August 2019  
(both days inclusive)

Latest date and time for lodging the proxy forms  
for the EGM ..... 10.00 a.m. on Saturday,  
24 August 2019

Date and time of the EGM ..... 10.00 a.m. on Monday,  
26 August 2019

Publication of announcement of  
poll results of the EGM ..... Monday, 26 August 2019

### **The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation**

Effective date of the Share Consolidation ..... Wednesday, 28 August 2019

First day for free exchange of existing share certificates  
for new share certificates for the Consolidated Shares ..... 9:00 a.m. on Wednesday,  
28 August 2019

Dealing in the Consolidated Shares commences ..... 9:00 a.m. on Wednesday,  
28 August 2019

Original counter for trading in the Existing Shares in board  
lots of 2,000 Existing Shares (in the form of existing  
share certificates) temporarily closes ..... 9:00 a.m. on Wednesday,  
28 August 2019

Temporary counter for trading in the Consolidated Shares  
in board lots of 500 Consolidated Shares (in the form  
of existing share certificates) opens ..... 9:00 a.m. on Wednesday,  
28 August 2019

Original counter for trading in the Consolidated Shares  
in board lots of 10,000 Consolidated Shares  
(in the form of new share certificates) re-opens ..... 9:00 a.m. on Wednesday,  
11 September 2019

Parallel trading in the Consolidated Shares  
(in the form of existing share certificates  
and new share certificates) commences..... 9:00 a.m. on Wednesday,  
11 September 2019

Designated broker starts to stand in the market  
to provide matching services for odd lots  
of Consolidated Shares ..... 9:00 a.m. on Wednesday,  
11 September 2019

Temporary counter for trading in the Consolidated Shares  
in board lots of 500 Consolidated Shares  
(in the form of existing share certificates) closes ..... 4:00 p.m. on Wednesday,  
2 October 2019

Parallel trading in the Consolidated Shares  
(in the form of new share certificates and  
existing share certificates) ends ..... 4:00 p.m. on Wednesday,  
2 October 2019

Designated broker ceases to stand in the market  
to provide matching services for odd lots  
of Consolidated Shares ..... 4:00 p.m. on Wednesday,  
2 October 2019

Last day for free exchange of existing share certificates  
for new share certificates for the Consolidated Shares ..... 4:30 p.m. on Friday,  
4 October 2019

**GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. The circular containing, among other things, further details of the Share Consolidation and the notice of the EGM is expected to be despatched to the Shareholders on or before 9 August 2019.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in paragraphs headed “Conditions of the Share Consolidation” above. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares
“Company”	Comtec Solar Systems Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.004 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and, if thought fit, approve, among other things, the Share Consolidation
“Existing Share(s)”	ordinary share(s) with a par value of HK\$0.001 each in the share capital of the Company before the Share Consolidation becoming effective
“Forum Asia Consideration Shares”	such number of consideration Share(s) to be allotted and issued to On Board International Investment Limited and United Concord Investment Holdings Limited pursuant to the sale and purchase agreement entered into by and among the Company, Forum (Asia) Limited, On Board International Investment Limited, United Concord Investment Holdings Limited, Ms. Yuan Jing (袁靜) and Mr. Xing Shiyang (刑時陽) dated 14 November 2016 in respect of the Company’ acquisition of 51% of the entire issued capital of Forum (Asia) Limited

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joy Boy Consideration Shares”	such number of consideration Share(s) to be allotted and issued to EJoy Renewable Limited and True Joy Renewable Limited pursuant to the sale and purchase agreement entered into by and among the Company, Joy Boy HK Limited, EJoy Renewable Limited and True Joy Renewable Limited dated 7 July 2016 in respect of the Company’s acquisition of 100% of the entire issued share capital of Joy Boy HK Limited
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed share consolidation of every four issued and unissued Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shanghai, the People’s Republic of China, 5 July 2019

*As at the date of this announcement, the executive Directors are Mr. John Yi Zhang, Mr. Zhang Zhen and Mr. Chau Kwok Keung, the non-executive Director is Mr. Wang Yixin, and the independent non-executive Directors are Mr. Leung Ming Shu, Mr. Kang Sun and Mr. Xu Erming.*