

**COMTEC SOLAR SYSTEMS GROUP LTD:
THINGS ARE TOUGH, ALL OVER**

The release of a summary of the results of Comtec Solar Systems Group Ltd () (Code: 712, Main Board, The Stock Exchange of Hongkong Ltd) indicates that this publicly listed company is sinking deeper and deeper into the financial mire.

This is that which **TARGET** () fully expected when it penned its previous report about this manufacturer of solar cells.

(Please refer to **TARGET** Intelligence Report, Volume XV, Number 55, published on March 22, 2013).

It appears, also, that things will get a great deal more difficult for Comtec Solar Systems, following more seemingly insurmountable problems that have recently been unearthed at Suntech Power Holdings Company Ltd ().

The latest information from Suntech Power Holdings was released last Tuesday and Wednesday (April 9 and 10) and, in a nutshell, it amounted to:

- **Suntech Power International Ltd (SPI)**, the principal operating subsidiary of Suntech Power Holdings, operating in Europe, *'has been granted a provisional moratorium for two months on creditor claims by the judicial authorities in Schaffhausen, Switzerland ... The court has appointed an administrator to assess SPI's financial condition and the prospects of reaching a composition agreement with creditors to restructure SPI's outstanding debt ...'*; and,
- The New York Stock Exchange has notified Suntech Power Holdings that it did not meet The New York Stock Exchange's price criteria for continuing listing standard because, as at April 4, 2013, the average closing price of the company's **American Depositary Receipts (ADRs)** was less than \$US1.00 per ADR over a 30-day trading period. Suntech Power Holdings has six months to rectify the situation in order to satisfy The New York Stock Exchange's price criteria.

In **TARGET**'s report of March 22, 2013, this medium stated that, one day prior to our exposing the dire financial problems at Suntech Power Holdings, this company, which claims the title of being the world's largest producer of solar panels, announced, *inter alia*:

'Suntech Power Holdings Co., Ltd. (NYSE: STP), or the "Company", today announced that on March 18, 2013, a group of eight Chinese banks filed a petition for insolvency and restructuring of its Chinese subsidiary Wuxi Suntech Power Holdings Co., Ltd. ("Wuxi Suntech") () in the Wuxi Municipal Intermediate People's Court in Jiangsu Province, China. Wuxi Suntech today notified the Court that it will not file an objection against the petition. The Company expects that the Court will decide whether or not to accept the petition in the next few days.

'Wuxi Suntech is the Company's principal operating subsidiary in China engaged in the manufacture of photovoltaic (PV) cells and PV modules. The Company has additional cell and module production facilities at wholly owned or partially owned subsidiaries in Wuxi, Shanghai and Luoyang and, in the event insolvency and restructuring of Wuxi Suntech is

approved by the Court, the Company intends to continue production of solar products to meet customer orders. In addition, management will work with any Court-appointed administrators to ensure all of Suntech's product warranty obligations are met...

'The insolvency and restructuring procedure is designed to facilitate an orderly restructuring plan for both Wuxi Suntech and its creditors. In such proceedings, the Chinese court would typically appoint administrators to Wuxi Suntech to administer the restructuring, including negotiations with existing bank lenders and other creditors. Wuxi Suntech will apply to the Court to continue operations under the supervision of the administrators... '.

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