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UNITED PHOTOVOLTAICS GROUP LIMITED

聯合光伏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

FRAMEWORK AGREEMENT FOR THE ACQUISITION OF 300MW SOLAR POWER PLANTS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

On 14 April 2014, the Company entered into a conditional sale and purchase agreement with Yingli China, pursuant to which, among other things, it is proposed that the Company will acquire the equity interests in certain project companies which own certain ground solar power plants developed/to be developed and constructed/to be constructed by Yingli China with an aggregate installed capacity of not less than 300MW from 2014 to 2016, subject to the fulfillment of certain conditions precedent.

Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no definitive sale and purchase agreement has been executed between and among the parties. Accordingly, shareholders of the Company and/or investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by United Photovoltaics Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

THE FRAMEWORK AGREEMENT

On 14 April 2014, the Company entered into a conditional sale and purchase agreement (the “**Framework Agreement**”) with Yingli Energy (China) Company Limited* (英利能源(中國)有限公司) (“**Yingli China**”), a wholly owned foreign subsidiary of Yingli Green Energy Holding Company

Limited* (英利綠色能源控股有限公司) (“**Yingli Solar**”) whose shares are listed on the New York Stock Exchange, pursuant to which, among other things, it is proposed that the Company will acquire the equity interests in certain project companies (the “**Project Companies**”) which own certain ground solar power plants developed/to be developed and constructed/to be constructed by Yingli China with an aggregate installed capacity of not less than 300MW located in China (the “**Target Projects**”) from 2014 to 2016, subject to the fulfillment of certain conditions (the “**Proposed Transaction**”).

Consideration

The consideration of the Proposed Transactions will be calculated with reference to the target internal rate of return of the Company at not less than 9% and the relevant data such as the on-grid tariff of the specific Target Projects.

The actual consideration of the Proposed Transactions will be set out in the definitive sale and purchase agreements to be entered into by the parties (if entered into).

With respect to those Target Projects for which definitive sale and purchase agreements have been entered into, the consideration shall be paid by the Company to the respective shareholders of the Project Companies in full within five business days upon completion of the sale and purchase of the equity interest in the relevant Project Companies.

Conditions Precedent

The Proposed Transaction is conditional upon fulfillment of the following conditions:

- (i) Yingli China having guaranteed that the Project Companies having been validly established under the laws of China and in good standing and having obtained all the approvals, licenses and permits concerning their operation and business as set forth in their respective business license;
- (ii) the Project Companies having been the sole legal entities for the development, investment, construction and operation of the Target Projects, which beneficially own the assets and rights of the Target Projects;
- (iii) the Target Projects having been connected onto the grid, commenced operation and obtained all approval documents from the relevant government authorities;
- (iv) the Target Projects having obtained all the approvals, licenses and permits concerning their operation under the laws of China, including but without limitation to, the project approval documents, the signed on-grid connection arrangement agreement with the grid companies, the power purchase agreement, the approval for on-grid tariff, the electricity power business license, land use right certificate for the relevant Target Projects;

- (v) Yingli China having provided the warranty as to the quality of the design, equipment, construction, installation and operation of the relevant Target Projects and the Company having been satisfied with the terms of the main contractor agreements between the Yingli China and engineering, procurement and construction contractors of the Target Projects;
- (vi) Yingli China having provided guarantee for the electricity volume income generated by the Target Projects, and accepted the mutually recognised form of electricity generation guarantee;
- (vii) Yingli China having provided the Company with the financial statements of the Project Companies that is recognised by the Company, and/or a valuation report of the Project Companies issued by an internationally recognised independent valuer as agreed by the parties;
- (viii) Yingli China having undertaken that the information and materials provided to the Company are complete, true and accurate, and the due diligence investigation results having been reviewed and approved by the Company;
- (ix) the Project Companies having obtained loans or other financing for the construction of the Target Projects, the interest rate and terms of guarantee having been recognised by the Company;
- (x) Yingli China having undertaken that the Target Projects shall achieve on-grid connection and commence electricity generation on or before the mutually agreed date. The parties having agreed on the electricity generation volume for the first and subsequent years. If the volume of electricity generated falls below the guaranteed volume any time during the period of 10 years commencing from the date of on-grid connection and commencement of electricity generation, Yingli China shall compensate the Company for the amount equivalent to such difference of electricity income derived; and
- (xi) the other conditions set out in the definitive sale and purchase agreement of the Proposed Transaction (if entered into) having been fulfilled.

Exclusivity

Upon completion of certain procedures, Yingli China will extend to the Company an invitation to acquire the Project Companies (the “**Invitation**”). During the period of three months commencing from the date of the Invitation as confirmed by the parties in writing, without the Company’s consent, Yingli China shall not discuss or negotiate with any other third party in connection with the sale and purchase of the equity interest in the relevant Project Companies.

The Proposed Transaction, which if materializes, may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcement(s) will be made by the Company regarding the Proposed Transaction as and when appropriate in compliance with the Listing Rules.

Information on Yingli China

Yingli China is a wholly owned subsidiary of Yingli Solar whose shares are listed on the New York Stock Exchange. As a world-leading vertically integrated photovoltaic product manufacturer, Yingli Solar is the world's largest photovoltaic module manufacturer in terms of production capacity and shipments and is highly experienced in the engineering, procurement and construction of photovoltaic projects domestically and overseas.

Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no definitive sale and purchase agreement has been executed between the parties. Accordingly, shareholders of the Company and/or investors are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of
United Photovoltaics Group Limited
Li, Alan
Chairman of the Board

Hong Kong, 14 April 2014

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and Chief Executive Officer) and Mr. Lu Zhenwei; the non-executive directors of the Company are Academician Yao Jiannian, Mr. Yang Baiqian, Ms. Qiu Ping, Maggie and Mr. Wu Zhenmian; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Ching Kwok Ho, Samuel, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing.

* *For identification purpose only*