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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)

ISSUE OF US\$30,000,000 7.5% SECURED CONVERTIBLE BONDS

AMENDMENT TO THE TERMS OF THE SUBSCRIPTION AGREEMENT AND ADDITIONAL INFORMATION

Reference is made to the announcement of United Photovoltaics Group Limited (the “**Company**”) dated 4 March 2015 in relation to the proposed subscription of convertible bonds of the Company by Golden Express Capital Ltd. (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

AMENDMENT TO THE SUBSCRIPTION AGREEMENT

On 22 April 2015 (after trading hours), the Company and Golden Express entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend certain terms under the Subscription Agreement as set out below:

- (a) the condition precedent of having the Security Documents entered into and delivered by the parties is removed;
- (b) the Company undertakes to Golden Express to, *inter alia*, enter into, deliver and file with the relevant governmental authorities in the PRC (including but not limited to the State Administration of Foreign Exchange) the Security Documents within six months from the CB Issue Completion. In the event that the entering into, delivery and filing of the Security Documents are not completed within six months from the Issue Date, the Bondholder(s) may, if so decided by a special resolution of the Bondholders and by providing written notice to the Company, require the Company to redeem the whole (but not part) of the outstanding principal amount of all the Convertible Bonds at 100% of the outstanding principal amount together with the accrued and unpaid interest (up to the redemption date); and

- (c) the Right of First Refusal is no longer subject to the first ranking right of first refusal which was expected to be granted to the Other CB Investor.

Save as the aforementioned and a change of the contact person of Golden Express for the purposes of the Subscription Agreement, there are no other changes to the Subscription Agreement.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As more time is needed for the Company to identify and seek Golden Express' acceptance of potential Target Company(ies) identified as the Security, Golden Express agrees that the Security could be provided after the CB Issue Completion. By virtue of the Supplemental Agreement, the Company can secure funds raised under the Convertible Bonds pursuant to the terms of the Subscription Agreement while it continues to work on the acquisition of the Target Company(ies) at the same time.

As the first ranking right of first refusal has not been granted to the Other CB Investor eventually, the Supplemental Agreement also provides that the Right of First Refusal is no longer subject to the first ranking right of first refusal which was expected to be granted to the Other CB Investor.

The Directors are of the view that the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

General mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the general mandate to allot and issue, and deal with up to 866,253,265 Shares, which was granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company on 27 June 2014 (the “**General Mandate**”). After the issuance of 180,000,000 Shares pursuant to the General Mandate as disclosed in the announcement of the Company dated 10 February 2015, the Company may further issue up to 686,253,265 Shares pursuant to the General Mandate.

As disclosed in the Announcement, the Conversion Price is subject to adjustments in accordance with the terms of the Convertible Bonds. As all adjustment events should only be triggered by corporate activities which are essentially actions taken by the Company, the Company will refrain from undertaking corporate activities that would result in any downward adjustment of the Conversion Price to the extent that the Conversion Shares issuable under the Convertible Bonds at such adjusted Conversion Price would exceed the General Mandate.

The Company will not allot and issue any new Shares under the General Mandate except for the Conversion Shares to be issued pursuant to the terms of the Convertible Bonds.

Board representation right

Subject to the CB Issue Completion taking place, Golden Express has a right (which is assignable to transferee(s) of the Convertible Bonds) to nominate and the Company shall procure the appointment of the person so nominated (the “**Nominee**”) to serve as a non-salaried director of each of the Target Company(ies) (the “**Board Representation Right**”).

The Company and Golden Express agreed on the Board Representation Right after arm’s length negotiation to offer the latter such protection as it considered necessary as a lender. The Company regards COAMI as a long-term strategic partner and the Directors are of the view that the grant of the Board Representation Right strengthens the strategic relationship between the Company and COAMI, which is demonstrated by the commitment of the COAMC group in certain convertible bonds of the Company since October 2013 and 20 million Shares through a fellow subsidiary and an indirect wholly owned subsidiary of COAMI respectively.

The Nominee is required to enter into a confidentiality agreement with the Company prior to his appointment as a director of the relevant Target Company (the “**Nominee Director(s)**”). In addition to the confidentiality agreement, the Nominee Director is subject to various directors’ duties such as fiduciary duty and duty of due diligence imposed by the relevant PRC laws and regulations. In light of the above and the fact that the Board Representation Right is intended to offer protection to the Bondholder(s), as ultimate beneficiary(ies) of the Security, through presence on the board of each of the Target Company(ies), the Directors are of the view that it is unlikely that candidate(s) without appropriate qualification and experience would be nominated as a Nominee.

The Company and Golden Express have reached an understanding that the Nominee Director would not take part in the day-to-day operations of the relevant Target Company. As it is anticipated that the board of each of the Target Company(ies) will consist of at least three directors, the Nominee Director will be in the minority on the board of the relevant Target Company.

Pursuant to the terms of the Subscription Agreement, Golden Express will procure the unconditional resignation of the Nominee Director of each of the Target Company(ies) on the Settlement Date.

The Directors are of the view that the grant of the Board Representation Right does not prejudice any Shareholder as the Board Representation Right is granted to Golden Express as a Bondholder which in substance is a lender. The Directors are also of the view that the grant of the Board Representation Right is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Right of first refusal in respect of co-investment

Subject to the CB Issue Completion taking place, Golden Express has a right of first refusal in the co-investment in the acquisition or construction of photovoltaic solar power plants with the Company until the Settlement Date (the “**Right of First Refusal**”).

The Company and Golden Express agreed on the Right of First Refusal after arm’s length negotiation. The Company regards COAMI as a long-term strategic partner and the Directors are of the view that the grant of the Right of First Refusal strengthens the relationship between the Company and COAMI.

In the event that the Company decides to seek a co-investment partner in any acquisition or construction of photovoltaic solar power plant(s), the Company will determine the terms of the co-investment offer and send the same to Golden Express for its consideration. In determining the terms of the co-investment offer, the Company considers both the availability of internal financial resources and expected capital commitment of the potential acquisition or construction of photovoltaic solar power plant(s). Golden Express may choose to either waive its right of first refusal or accept the co-investment offer. In the event that Golden Express waives its right of first refusal, the Company will be at liberty to extend the co-investment offer to any third party potential co-investor on the same terms.

The Directors are of the view that the grant of the Right of First Refusal does not prejudice any Shareholder as the Right of First Refusal is granted to Golden Express as a Bondholder which in substance is a lender. The Directors are also of the view that the grant of the Right of First Refusal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FURTHER ANNOUNCEMENT

The Company will make further announcement(s) as and when appropriate to update the Shareholders on the proposed acquisition of the Target Company(ies).

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

Hong Kong, 22 April 2015

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 and Ms. Qiu Ping, Maggie; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing.