

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## UNITED PHOTOVOLTAICS GROUP LIMITED

聯合光伏集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

### VOLUNTARY ANNOUNCEMENT POSSIBLE ACQUISITION OF MINORITY INTEREST IN A 40MW SOLAR POWER PLANT

United Photovoltaics Group Limited (the “**Company**”) makes this voluntary announcement to inform the shareholders of the Company of the latest development of a possible acquisition by the Company of certain equity interest in the Target Company (as defined hereafter).

As at the date of this announcement, United Photovoltaics (Changzhou) Investment Co., Ltd.\* (聯合光伏(常州)投資有限公司) (“**UP (Changzhou)**”), a wholly-owned subsidiary of the Company, together with Huabei Expressway Co. Ltd.\* (華北高速公路股份有限公司) (“**Huabei Expressway**”) (the shares of which are listed on the Shenzhen Stock Exchange) are in the process of negotiating with Jiangsu Yongneng New Energy Investment Limited\* (江蘇永能新能源投資有限公司) (“**Jiangsu Yongneng**”), an independent third party of the Company, a possible acquisition of 93.68% equity interest in Guodian Kezuohouqi Photovoltaics Company Limited\* (國電科左後旗光伏發電有限公司) (the “**Target Company**”) which owns an on-grid connected solar power plant project located in Keerqinzuoyihouqi, Inner Mongolia Autonomous Region, China with an aggregate installed capacity of 40MW (the “**Possible Acquisition**”).

As at the date of this announcement, the parties have reached preliminary consensus on the following terms:

1. Huabei Expressway will acquire 84.31% equity interest in the Target Company for a consideration of approximately RMB67,448,340 (equivalent to approximately HK\$84,984,908), whereas UP (Changzhou) will acquire 9.37% equity interest in the Target Company for a consideration of approximately RMB7,494,260 (equivalent to approximately HK\$9,442,768). Upon completion of the Possible Acquisition, the board of directors of the Target Company will consist of five directors, three of which will be nominated by Huabei Expressway, one of which will be nominated by UP (Changzhou) and one of which will be nominated by the remaining shareholder,

Guodian Naiman Windpower Company Limited\* (國電奈曼風電有限公司) (“**Naiman Windpower**”). Any one director nominated by Huabei Expressway will be the chairman of the Target Company.

2. After the completion of the Possible Acquisition, Huabei Expressway and UP (Changzhou) will inject capital to the Target Company with reference to their respective shareholding in direct proportion, among which, Huabei Expressway will invest RMB297,678,800 (equivalent to approximately HK\$375,075,288) and UP (Changzhou) will invest RMB33,075,400 (equivalent to approximately HK\$41,675,004). Following the capital injection, Huabei Expressway and UP (Changzhou) will own 88.89% and 9.88% equity interest in the Target Company respectively.
3. By the end of the period of three years after the Possible Acquisition, UP (Changzhou) will be entitled to, at its sole discretion, acquire part of the equity interest in the Target Company owned by Huabei Expressway, provided that the return on investment to be received by Huabei Expressway will be 8% per annum or 24% in total for the three years.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a limited liability company incorporated under the laws of the People’s Republic of China and in good standing and is principally engaged in photovoltaic power generation, technical support and information consulting. As at the date of this announcement, the Target Company is held as to 93.68% and 6.32% by two shareholders, namely Jiangsu Yongneng and Naiman Windpower respectively.

As at the date of this announcement, the Target Company owns a ground-based solar power plant project located in Keerqinzuoyihouqi, Inner Mongolia Autonomous Region, China with an aggregate installed capacity of 40MW which has achieved on-grid connection.

As the parties are still in the process of negotiation, none of the above terms and conditions of the Possible Acquisition has been finalized and are also subject to change.

If the Possible Acquisition does materialize, it is not expected to constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company will however provide further updates by way of announcement(s) on the Possible Acquisition.

**Shareholders of the Company and/or investors should note that the Possible Acquisition may or may not materialize, as no formal sale and purchase agreement has been executed among 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, 19 August 2014

*In this announcement, the conversion of RMB into Hong Kong dollars have been made at a rate of RMB1 to HK\$1.26. Such conversion are for reference only and should not be construed as representations that the RMB amount could be converted into Hong Kong dollars at that or any other rate.*

*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.*

\* *For identification purpose only*