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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)

ANNOUNCEMENT IN RELATION TO

- (1) COMPLETION OF ORIX SUBSCRIPTION, CM SUBSCRIPTION AND NEX SUBSCRIPTION;
(2) ESTABLISHMENT OF STRATEGY COMMITTEE;
(3) APPOINTMENT OF DIRECTORS; AND
(4) ADJUSTMENT TO THE CONVERSION PRICE OF CERTAIN CONVERTIBLE BONDS**

(1) COMPLETION OF ORIX SUBSCRIPTION, CM SUBSCRIPTION AND NEX SUBSCRIPTION

The Board is pleased to announce that the completion of ORIX Subscription (including the PV China Subscription), CM Subscription and NEX Subscription took place on 20 March 2017. An aggregate of 2,232,978,962 Subscription Shares and 871,075,858 Warrants have been allotted and issued on 20 March 2017.

(2) ESTABLISHMENT OF STRATEGY COMMITTEE

The Board announces that the Strategy Committee has been established with effect from 20 March 2017.

(3) APPOINTMENT OF DIRECTORS

The Board announces that with effect from 20 March 2017, Mr. Li Hao has been appointed as a non-executive Director and Mr. Jiang Wei has been appointed as an executive Director.

(4) ADJUSTMENT TO THE CONVERSION PRICE OF CERTAIN CONVERTIBLE BONDS

As a result of the issue of the Subscription Shares, adjustments have been made to the respective conversion price of certain convertible bonds with effect from 20 March 2017.

(1) COMPLETION OF ORIX SUBSCRIPTION, CM SUBSCRIPTION AND NEX SUBSCRIPTION

References are made to the announcements of United Photovoltaics Group Limited (the “**Company**”) dated 21 September 2016, 2 November 2016, 28 November 2016 and 21 December 2016 and the circular of the Company dated 10 November 2016 (the “**Circular**”) with respect to the Share Subscriptions and Warrant Subscriptions. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that (i) all conditions precedent under the ORIX Subscription Agreement have been fulfilled or waived (as the case may be); (ii) all conditions precedent under the CM Subscription Agreement have been fulfilled; and (iii) all conditions precedent under the NEX Subscription Agreement have been fulfilled.

As disclosed in the Circular, ORIX may assign (in whole or in part) any of its rights under the ORIX Subscription Agreement to any of its affiliates (including without limitation ACP) by written notice to the Company, and such assignee may enforce (or any portion thereof) so assigned on the same terms and conditions as may be exercised by ORIX. On 13 March 2017, the Company received and acknowledged an assignment confirmation notice (the “**Notice**”) from ORIX regarding, among other things, ORIX’s assignment of its rights under the ORIX Subscription Agreement to subscribe for 333,247,334 Subscription Shares and 120,316,825 Warrants (the “**PV China Subscription**”) to PV China Investment Limited (“**PV China**”), which is incorporated in the British Virgin Islands with limited liability and is wholly-owned by ACP. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, PV China and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The completion of each of ORIX Subscription (including the PV China Subscription), CM Subscription and NEX Subscription took place on 20 March 2017.

Pursuant to the ORIX Subscription Agreement and the Notice, (i) 1,074,138,234 Subscription Shares and 387,810,759 Warrants have been allotted and issued to ORIX; and (ii) 333,247,334 Subscription Shares and 120,316,825 Warrants have been allotted and issued to PV China.

Pursuant to the CM Subscription Agreement and instruction of CMNEG, 756,793,945 Subscription Shares and 362,948,274 Warrants have been allotted and issued to the nominees of CMNEG, namely (i) 405,338,837 Subscription Shares and 194,395,096 Warrants have been allotted and issued to Snow Hill Developments Limited (“**Snow Hill**”) and (ii) 351,455,108 Subscription Shares and 168,553,178 Warrants have been allotted and issued to Magicgrand Group Limited (“**Magicgrand**”). Snow Hill and Magicgrand are shareholders of, and parties acting in concert with CMNEG.

Pursuant to the NEX Subscription Agreement, 68,799,449 Subscription Shares have been allotted and issued to NEX.

The following table sets out the effects on the shareholding structure of the Company immediately before and after the completion of the ORIX Subscription (including the PV China Subscription), CM Subscription and NEX Subscription:

	(i)		(ii)		(iii)		(iv)	
	Shareholding immediately before the completion of the Share Subscriptions		Shareholding immediately after the completion of the Share Subscriptions		Shareholding immediately after the completion of the Share Subscriptions and the full exercise of subscription rights attaching to the Warrants		Shareholding immediately after the completion of the Share Subscriptions and the full exercise of subscription rights attaching to the outstanding convertible securities at their respective adjusted conversion/subscription prices	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
CMNEG and parties acting in concert with it								
CMNEG (Note 1)	579,944,250	11.73	579,944,250	8.08	579,944,250	7.21	579,944,250	5.17
Snow Hill (Note 1)	103,111,436	2.09	508,450,273	7.08	702,845,369	8.73	702,845,369	6.27
Magicgrand (Note 2)	141,230,827	2.86	492,685,935	6.86	661,239,113	8.22	661,239,113	5.90
Pairing Venture Limited (Note 3)	18,173,487	0.37	18,173,487	0.25	18,173,487	0.23	18,173,487	0.16
NEX (Note 4)	266,883,621	5.40	335,683,070	4.68	335,683,070	4.17	335,683,070	2.99
Sino Arena Investments Limited	63,568,708	1.29	63,568,708	0.89	63,568,708	0.79	63,568,708	0.57
Sub-total:	1,172,912,329	23.72	1,998,505,723	27.84	2,361,453,997	29.34	2,361,453,997	21.06
Other associate of China Merchants Group Limited* (招商局集团有限公司) ("China Merchants")								
China Merchants Fund Management Limited* (招商基金管理有限公司)	-	-	-	-	-	-	541,034,225	4.82
ORIX	-	-	1,074,138,234	14.97	1,461,948,993	18.16	1,461,948,993	13.04
ACP (Note 5)	-	-	333,247,334	4.64	453,564,159	5.64	453,564,159	4.04
Sub-total:	-	-	1,407,385,568	19.61	1,915,513,152	23.80	1,915,513,152	17.08
Directors	15,277,600	0.31	15,277,600	0.21	15,277,600	0.19	60,277,600	0.54
Other Shareholders	3,756,120,396	75.91	3,756,120,396	52.29	3,756,120,396	46.63	6,335,547,781	56.50
Total:	4,944,310,325	100.00	7,177,289,287	100.00	8,048,365,145	100.00	11,213,826,755	100.00

Notes:

1. CMNEG is directly owned as to 79.36% by Snow Hill and as to 20.64% by Magicgrand. Snow Hill is beneficially wholly owned by China Merchants.
2. Magicgrand is beneficially wholly owned by Mr. Li, Alan, an executive Director and chief executive officer of the Company.
3. Pairing Venture Limited is directly wholly owned by Mr. Li, Alan, an executive Director and chief executive officer of the Company.
4. NEX is owned as to 9.9% by Magicgrand, as to 8.13% by Snow Hill and as to 81.97% by other third parties. The number of Shares held by NEX as disclosed in the table includes Shares owned by two wholly-owned subsidiaries of NEX.
5. PV China is directly wholly owned by ACP China Holding Limited, which in turn is indirectly wholly owned by ACP (acting through its general partner, Asia Climate Partners General Partner Ltd.).

(2) ESTABLISHMENT OF STRATEGY COMMITTEE

The Board announces that a strategy committee (“**Strategy Committee**”) has been established with effect from 20 March 2017. Mr. Zou Yiqiao, Mr. Li Alan, and Mr. Lam Tsz Cheung (alias Anthony Lam) have been appointed as members of the Strategy Committee and Mr. Zou has been appointed as chairman of the Strategy Committee, all with effect from 20 March 2017.

The biographical details of the members are set out below:

Mr. Zou Yiqiao

Mr. Zou Yiqiao had been working in the government department of energy for many years with extensive experiences in energy sector and is familiar with the domestic and international energy development situation and trend. Mr. Zou formerly served as the director general of the Department of International Cooperation of National Energy Administration of China (“**National Energy Administration**”) and was mainly responsible for the organization and promotion of international exchange and cooperation in fields of energy, and negotiation and execution of cooperation agreements with foreign counterparts and international energy associations. Mr. Zou organized the formulation of strategic planning of international energy cooperation under the national “the Belt and Road” strategy, which had been approved and put into effect. Before Mr. Zou’s office in National Energy Administration, he held a number of high positions including, among others, the deputy director of finance department of the State Development & Investment Corporation and director of finance department and director of inspection bureau of the National Electricity Regulatory Commission in the PRC. Mr. Zou has rich experience in the energy sector and with his broad international cooperation network, the Group believes that Mr. Zou’s role as chairman of the Strategy Committee will assist the Group in promoting its business development and cooperation with other countries, and facilitate the Group’s future growth as one of the most reputable new energy enterprises under the national “the Belt and Road” strategy.

Mr. Li Alan

Mr. Li Alan was appointed as an executive Director on 10 June 2013. Mr. Li is also the Chairman of the Board, the chief executive officer of the Company, a member of each of the Nomination Committee and the Risk Control Committee of the Company. Mr. Li is primarily responsible for formulating our business strategy, overseeing acquisitions and development of solar power projects, and day to day operations. Mr. Li also serves as a director of China Solar Power Group Limited, an indirect wholly-owned subsidiary of the Company. Mr. Li is also a director of CMNEG and the chairman of the board of directors of Pairing Venture Limited. Prior to joining CMNEG, Mr. Li served as an executive director of Linchest Technology Ltd. and Shun Tai Investment Limited and was mainly in charge of investment, mergers and acquisitions in the PRC. In 2013, Mr. Li collaborated with several state-owned enterprises, such as GD Solar Co., Ltd. and State Grid Corporation of China, and established Photovoltaic Green-ecosystem Organization (“**PGO**”), the first eco-system that integrated the entire value chain of the photovoltaic industry in China, which has significantly driven forward the development of the industry. The PGO has rapidly expanded the development and construction of large-scale solar power plants in China. Mr. Li possesses extensive experience in investments and the management of conglomerates. Mr. Li has a Master’s degree in Business Administration from Murdoch University of Australia.

Mr. Lam Tsz Cheung, Anthony

Mr. Lam Tsz Cheung, Anthony has 20 years of experience in private equity and environmental investments and is currently a managing director of Asia Climate Partners Hong Kong Limited (“**ACPHK**”), an affiliate of ACP. Prior to joining ACPHK, he was the managing director, co-head Asia Pacific of TRG Management (“**TRG**”), which is a subsidiary of The Rohatyn Group. Mr. Lam served on the global investment committee and managed a portfolio of 7 investees with total investment amount of over US\$600 million in the PRC, Singapore, South Korea as well as Thailand. Prior to joining TRG, Mr. Lam was a partner at Citigroup Venture Capital International, the private equity arm of Citigroup. During 1997-2013, Mr. Lam had led or actively participated in private equity transactions in China in a variety of industries including renewable energy, financial, consumer, retail, telecommunication, industrial and technology. Mr. Lam received his master’s degree of business and administration from the Chinese University of Hong Kong and is a Chartered Financial Analyst and Certified Public Accountant-Inactive.

(3) APPOINTMENT OF DIRECTORS

The Board is pleased to announce that Mr. Li Hao has been appointed as a non-executive Director and Mr. Jiang Wei has been appointed as an executive Director, both with effect from 20 March 2017.

Mr. Li Hao

Mr. Li Hao, aged 34, is currently the general manager of China Business Division, East Asia Business Headquarters at ORIX Corporation, a diversified financial services company and whose shares are listed on the Tokyo Stock Exchange (securities code: 8591) and on the New York Stock Exchange (trading symbol: IX). Mr. Li has been with ORIX Corporation since October 2007. He is also the director and president of ORIX, a wholly-owned subsidiary of ORIX Corporation, since April 2013. Mr. Li graduated from the Graduate School of Finance, Accounting and Law at Waseda University in Japan in September 2011 with a master's degree in business administration for finance. He has more than 10 years of experience in the fields of investment banking and finance.

Mr. Li Hao has entered into a service agreement with the Company for a term of one year commencing on 20 March 2017, unless terminated by one-month notice in writing served by either party on another and subject to the Bye-laws of the Company and the Listing Rules. Mr. Li Hao's directorship with the Company is subject to re-election following retirement by rotation at the next following annual general meeting of the Company and thereafter, retirement by rotation and re-election in accordance with the Bye-laws of the Company. Mr. Li Hao will be entitled to a remuneration of HK\$200,000 per annum for his service as a non-executive Director, as recommended by the remuneration committee of the Company and determined by the Board with reference to his role and responsibilities within the Company and the prevailing market rate. Mr. Li Hao may be entitled to discretionary bonus to be determined by the Board and participate in the share option scheme of the Company.

Save as disclosed above and as at the date of this announcement, Mr. Li Hao confirmed that he (i) has not held any directorship in any public company listed in Hong Kong or overseas in the past three years; (ii) does not hold any other position with the Company or its subsidiaries and does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company; (iii) does not have any other interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules; and (v) there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in connection with his appointment.

Mr. Jiang Wei

Mr. Jiang Wei, aged 35, was appointed as the chief legal officer of the Company on 17 January 2014 and re-designated as the chief operating officer on 13 October 2016, and he is also the chairman of project acquisition and development committee of the Company. Meanwhile, Mr. Jiang also acts as the legal representative and chairman of the board of United Photovoltaics (Shenzhen) Limited, an indirectly wholly-owned subsidiary of the Company, as well as acting as a director of a number of other subsidiaries of the Company. Mr. Jiang is primarily responsible for project acquisition and development, asset restructuring, and operation management in various subsidiaries of the Company. Prior to joining the Group, Mr. Jiang served as the general counsel of a company which was listed on the NASDAQ Stock Market. Previously, he had been a practicing lawyer with Grandall Law Firm. Mr. Jiang has a master's degree in Law from Queen Mary University of London.

Upon his appointment, Mr. Jiang has entered into a service agreement with the Company for a term of three years, which can be terminated by six-month notice in writing served by either party on another. Mr. Jiang's directorship with the Company is subject to re-election following retirement by rotation at the next following annual general meeting of the Company and thereafter, retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Bye-laws of the Company. Mr. Jiang will be entitled to a director's fee of HK\$200,000 per annum for his service as an executive Director, as recommended by the remuneration committee and determined by the Board with reference to his role and responsibilities with the Company and the prevailing market rate. Mr. Jiang has been receiving salary of an amount equivalent to HK\$72,315 per month for his duties as the chief operating officer of the Company pursuant to his existing employment contract with the Group. Mr. Jiang may be entitled to discretionary bonus to be determined by the Board and participate in the share option scheme of the Company.

As at the date of this announcement, Mr. Jiang holds share options to subscribe for 3,000,000 Shares of the Company. By undertaking to work for China Solar Power Group Limited, an indirectly wholly-owned subsidiary of the Company, for a period of three years, Mr. Jiang is entitled to receive from a trustee company 1,120,560 Shares. Save as disclosed above, Mr. Jiang does not have any other interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Jiang confirmed that (i) he has not held any other directorship in any other listed public companies in the last three years; (ii) does not have any relationship with any other directors, senior management, substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company; (iii) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules; and (iv) there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in connection with his appointment.

The Board would like to extend its warm welcome to Mr. Li Hao and Mr. Jiang Wei in joining the Board.

(4) ADJUSTMENTS TO THE CONVERSION PRICE OF CERTAIN CONVERTIBLE BONDS

As a result of the issue of the Subscription Shares on 20 March 2017, adjustments shall be made to the conversion price of the following convertible bonds issued by the Company in accordance with the terms and conditions of each of such convertible bonds:

Convertible bonds	Outstanding amount	Conversion price	
		(immediately before the completion of the issue of the Subscription Shares) (HK\$)	(immediately after the completion of the issue of the Subscription Shares) (HK\$)
1. Huaqing Bonds	US\$100,000,000	1.5928	1.5028
2. Power Revenue Bonds	US\$50,000,000 (Note)	0.65	0.61
3. Suzhou Zhong Fu Bonds	HK\$232,959,339	1.6	1.51
4. three years HK\$524,803,198.8 7.5% convertible bonds due 20 April 2018 issued on 20 April 2015 by the Company to China Merchants Fund Management Limited	HK\$524,803,198.8	1.03	0.97
5. three years US\$30,000,000 7.5% convertible bonds due 29 April 2018 issued on 29 April 2015 by the Company and currently held by COAMI ABS No.1 Limited	US\$30,000,000	1.03	0.97
6. three years US\$15,000,000 7.5% convertible bonds due 23 June 2018 issued on 23 June 2015 by the Company to Peak Reinsurance Company Limited	US\$15,000,000	1.03	0.97
7. three years US\$100,000,000 7.0% convertible bonds due 3 June 2018 issued on 3 June 2015 by the Company to Driven Innovation Limited	US\$100,000,000	1.3134	1.2334

Note:

The principal amount of the relevant convertible bonds attributable to the exceeded portion of the conversion shares as a result of the adjustments, upon exercise of the conversion right, will be redeemed in cash in accordance with the terms and conditions of the Power Revenue Bonds.

Save for the above adjustments, all other terms and conditions of the convertible bonds set out above shall remain unchanged. Pursuant to the relevant bond instruments, a reputable financial institution has been engaged by the Company to review and certify the adjustments to the conversion price which were made in accordance with the terms and conditions of the relevant convertible bonds.

The adjustments to the conversion price of the convertible bonds set out above took effect from 20 March 2017 after the issue of the Subscription Shares.

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

Hong Kong, 20 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and Chief Executive Officer), Mr. Lu Zhenwei, Mr. Li Hong, Ms. Qiu Ping, Maggie and Mr. Jiang Wei; the non-executive directors of the Company are Academician Yao Jiannian, Mr. Tang Wenyong and Mr. Li Hao; 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.