

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.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase, or subscribe for the securities of the Company.



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\$15,000,000 7.5% SECURED CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 20 April 2015 (after trading hours), the Company, the Guarantor and the Subscriber (an indirect non-wholly owned subsidiary of Fosun International) entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of US\$15 million (equivalent to approximately HK\$116.25 million) and the Guarantor conditionally agreed to guarantee the payment of all sums payable in relation to the Convertible Bonds and the performance of the other obligations of the Company under the Transaction Documents.

Bondholders will be entitled to convert the outstanding principal amount of the Convertible Bonds into Conversion Shares at the Conversion Price during the Conversion Period. Assuming exercise in full of the Conversion Rights at the initial Conversion Price of HK\$1.03, an aggregate of 112,864,077 Conversion Shares will be issued, representing approximately 2.38% of the issued share capital of the Company as at the date of this announcement and approximately 2.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there was no repurchase of Shares or issue of other new Shares and no interest under the Convertible Bonds was paid by issue of Conversion Shares).

It is expected that, after deduction of the estimated expenses of approximately HK\$0.5 million, net proceeds of approximately HK\$115.75 million will be raised through the CB Issue, which will be used to finance the acquisition of the Target Company(ies) owning solar power plant(s) with an aggregate installed capacity of approximately 20MW in the PRC.

The Conversion Shares will be issued under the Specific Mandate. The SGM will be convened and held for the purpose of considering and, if thought fit, approving, among other things, the grant of the Specific Mandate.

A circular containing, among other things, further details of the Subscription Agreement, the Convertible Bonds, the Specific Mandate and the notice of the SGM, will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of the Subscription Agreement is subject to fulfillment or waiver of the conditions precedent under the Subscription Agreement. Accordingly, the CB Issue may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

On 20 April 2015 (after trading hours), the Company, the Guarantor and the Subscriber entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of US\$15 million (equivalent to approximately HK\$116.25 million) and the Guarantor conditionally agreed to guarantee the payment of all sums payable in relation to the Convertible Bonds and the performance of the other obligations of the Company under the Transaction Documents.

Details of the Subscription Agreement are set out below.

CB ISSUE

The Subscription Agreement

Date

20 April 2015

Parties

1. The Company as issuer
2. The Guarantor, a direct wholly-owned subsidiary of the Company, as guarantor of all sums payable under the Convertible Bonds and the performance of the other obligations of the Company under the Transaction Documents.
3. The Subscriber, an indirect non-wholly owned subsidiary of Fosun International as initial subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed in the section headed "**Information on the Subscriber and Fosun International**" below, the Subscriber and Fosun International and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Convertible Bonds

The Company has conditionally agreed to issue the Convertible Bonds in the principal amount of US\$15 million (equivalent to approximately HK\$116.25 million) at 100% of the principal amount of the Convertible Bonds subject to fulfilment of the CB Conditions.

Bondholders will be entitled to convert the outstanding principal amount of the Convertible Bonds into Conversion Shares at the Conversion Price based on the fixed exchange rate of US\$1 = HK\$7.75 during the Conversion Period. Assuming exercise in full of the Conversion Rights at the initial Conversion Price of HK\$1.03, an aggregate of 112,864,077 Conversion Shares will be issued, representing approximately 2.38% of the issued share capital of the Company as at the date of this announcement and approximately 2.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there was no repurchase of Shares or issue of other new Shares and no interest under the Convertible Bonds was paid by issue of Conversion Shares).

The Convertible Bonds will constitute direct, unconditional, unsubordinated and, upon the provision of the Security, secured obligations of the Company and at all times rank *pari passu* and rateably without preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) among themselves. The payment obligations of the Company under the Convertible Bonds shall at all times rank at least *pari passu* with all of its present and future unsubordinated and unsecured payment obligations. The Guarantor, a direct wholly-owned subsidiary of the Company, has conditionally agreed to guarantee payment of all sums payable in relation to the Convertible Bonds and the performance of the other obligations of the Company under the Transaction Documents.

The Conversion Shares allotted and issued on conversion will be fully paid and will rank *pari passu* in all respects with, and within the same class as, the Shares then in issue on the date of allotment and issue of the Conversion Shares, except that the Conversion Shares so allotted will not rank for any dividend or other distribution declared or paid or made by reference to a record date for the payment of a dividend or other distribution with respect to the Shares on or prior to the date of allotment and issue of the Conversion Shares.

The principal terms of the Convertible Bonds are summarised below.

Principal terms of the Convertible Bonds

Principal amount

US\$15 million (equivalent to approximately HK\$116.25 million)

Issue price

100% of the principal amount of the Convertible Bonds, payable in cash

Interest

The Convertible Bonds will bear interest at the rate of 7.5% per annum, payable annually in arrears.

Except in the following situations where the accrued and unpaid interest will be paid in the form of Conversion Shares, the interest will be paid in cash:

- (a) in the event of a Mandatory Conversion, the accrued and unpaid interest will be paid by the issue of Conversion Shares at the Conversion Price then in effect; and
- (b) upon the exercise of the Conversion Rights, a Bondholder elects to receive the accrued and unpaid interest in the form of Conversion Shares issued at the Conversion Price then in effect.

As interest will be paid annually in arrears, the maximum accrued interest at any point of time during the term of the Convertible Bonds will not exceed US\$1,125,000 (equivalent to approximately HK\$8,718,750), the amount of interest for one year. On this basis, assuming Conversion Shares were required to be issued for payment of interest under the Convertible Bonds and all such Conversion Shares were issued at the initial Conversion Price, a maximum of 8,464,805 Conversion Shares would be issued for payment of interest.

Maturity Date

The third anniversary of the Issue Date

Conversion Period

Bondholders are entitled to exercise the Conversion Rights at any time from the day immediately following the Issue Date and ending on the fifth business day prior to the Maturity Date.

Conversion Rights of the Bondholders and the Mandatory Conversion

Bondholders are entitled to convert the outstanding principal amount of the Convertible Bonds into Conversion Shares during the Conversion Period, provided that exercise of the Conversion Rights will not result in:

- (a) a change of control (within the meaning of the Hong Kong Code on Takeovers and Mergers) of the Company; or
- (b) insufficient public float of the Shares as defined under the Listing Rules; or

- (c) a Bondholder exercising the Conversion Right together with its close associates (as defined in the Listing Rules) becoming the largest Shareholder.

The Company is entitled to, having given not less than five nor more than ten days' notice to the Bondholders, convert the outstanding principal amount of the Convertible Bonds into Conversion Shares if at any time during the period:

- (a) commencing from the Issue Date up to the day immediately before the first anniversary of the Issue Date (both dates inclusive), the closing price per Share on the Stock Exchange for any 15 consecutive trading days reaches HK\$1.50 per Share (or if there is any adjustment of the Conversion Price, such other price per Share representing a premium of 45.63% over the Conversion Price then in effect from time to time) or above;
- (b) commencing from the first anniversary of the Issue Date up to the day immediately before the second anniversary of the Issue Date (both dates inclusive), the closing price per Share on the Stock Exchange for any 15 consecutive trading days reaches HK\$1.80 per Share (or if there is any adjustment of the Conversion Price, such other price per Share representing a premium of 74.76% over the Conversion Price in effect from time to time) or above; or
- (c) commencing from the second anniversary of the Issue Date up to the Maturity Date (both dates inclusive), the closing price per Share on the Stock Exchange for any 15 consecutive trading days reaches HK\$2.20 per Share (or if there is any adjustment of the Conversion Price, such other price per Share representing a premium of 113.59% over the Conversion Price in effect from time to time) or above.

Conversion Price

HK\$1.03

The Conversion Price is subject to adjustments in accordance with the terms and conditions set out in the Bond Instrument if any of the following specific events occurs:

- (a) where there is an alteration to the nominal amount of a Share by reason of any consolidation, subdivision or reclassification;
- (b) where the Company issues (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund) including Shares paid up out of distributable profits or reserves and/or share premium account issued;

- (c) issue of Shares by way of a scrip dividend where the market price of such Shares on the date of announcement of the terms of the scrip dividend exceeds the amount of the relevant cash dividend (as defined in the Bond Instrument) or the relevant part would not have constituted a capital distribution, except that the Company issues Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares and the aggregate market value (as defined in the Bond Instrument) of such Shares is not more than 110% of the amount of the dividend in cash;
- (d) where the Company makes (whether on a reduction of capital or otherwise except pursuant to any purchase by the Company of its own Shares which is permitted by the rules of the Stock Exchange and in accordance with the provisions of the Company's memorandum of association and bye-laws) any capital distribution (including distributions in cash or specie, and any dividend charged or provided for in the accounts for any financial period) to the Shareholders (in their capacity as such) or grants to the Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (e) where the Company offers to the Shareholders new Shares for conversion by way of rights, or grants to the Shareholders any options or warrants to subscribe for new Shares at a price per Share which is less than 90% of the market price (as defined in the Bond Instrument) as at the date of the announcement of the terms of the offer or grant;
- (f) where the Company or any other company issues any securities which by their terms are convertible into or exchangeable for or carrying rights of conversion for new Shares, and the total effective consideration (as defined in the Bond Instrument) per new Share initially receivable for such securities is less than 90% of the market price (as defined in the Bond Instrument) as at the date of the announcement of the terms of issue of such securities;
- (g) where the rights of conversion or exchange attached to any such securities as are mentioned in sub-paragraph (f) above are modified so that the total effective consideration (as defined in the Bond Instrument) per new Share initially receivable for such securities shall be less than 90% of the market price (as defined in the Bond Instrument) as at the date of announcement of the proposal to modify such rights of conversion or exchange;
- (h) where the Company (other than in consideration or in part consideration for acquisition of securities, assets or business as provided in the Bond Instrument) issues any Shares at a price per Share which is less than 90% of the market price as at the date of the announcement of the terms of such issue;

- (i) where the Company makes an offer or invitation to the Shareholders to tender for sale to the Company or any of its subsidiaries any Shares or other securities of such subsidiary or if the Company or any of its subsidiaries purchases any Shares or securities convertible into Shares or other securities of such subsidiary or any rights to acquire Shares or other securities of such subsidiary (excluding any such purchase made on the Stock Exchange or recognised stock exchange) and the Directors or the Requisite Bondholders consider that it may be appropriate to make an adjustment to the Conversion Price; or
- (j) where the Company or any of its subsidiaries or any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders are generally entitled to participate in arrangements whereby such securities may be acquired by them.

Notwithstanding the specific adjustment events set out in the Bond Instrument, in any circumstances where the Directors or the Requisite Bondholders shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the specific adjustment provisions set out in the Bond Instrument or that such adjustment shall take effect on a different date or at a different time from that provided under the said provisions, the Company shall appoint an independent and approved merchant bank or (with prior approval of the Bondholders) the auditors of the Company to consider whether the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the auditors of the Company consider this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment, in such manner and/or take effect on a different date and/or time as shall be certified by such approved merchant bank or the auditors of the Company to be in its opinion appropriate.

Whenever the Conversion Price is adjusted, the Company will give notice to the Bondholders and will make available for inspection by the Bondholders, among other things, a signed certificate of the auditors of the Company or an independent and reputable merchant bank and a certificate signed by a Director setting out brief particulars of the adjustment to the Conversion Price. The Company will make announcements on adjustment of the Conversion Price.

Assuming conversion of the Convertible Bonds into Conversion Shares in full at the initial Conversion Price, the net price per Conversion Share to the Company (after deducting the expenses of approximately HK\$0.5 million to be incurred by the Company for the CB Issue) is HK\$1.026.

Redemption at maturity

The Company will redeem the Convertible Bonds on or before the 15th business day after the Maturity Date at 120% of the outstanding principal amount together with accrued and unpaid interest. The Convertible Bonds will be cancelled upon redemption.

Transferability

The Convertible Bonds are freely transferable except that transfer of any of the Convertible Bonds to a connected person of the Company is subject to prior written approval of the Company.

Security

Subject to the CB Issue Completion taking place, the Convertible Bonds will be secured by the pledge of the following in favour of the Subscriber or its appointee as agent for and on behalf of all the Bondholders:

- (a) the fixed assets of the Target Solar Power Plant(s);
- (b) all the rights of the Target Company(ies) to receive feed-in tariff payments in respect of the Target Solar Power Plant(s); and
- (c) all the equity interest in the Target Company(ies).

The Company undertakes to identify and submit information on the location and aggregate installed capacity (in MW) of the potential Target Solar Power Plant(s) and related power purchase agreement(s) to the Subscriber and seek its acceptance of pledge/mortgage of the above assets of the potential Target Solar Power Plant(s) as the Security.

In the event that the filing of the Security Documents with the relevant governmental authorities in the PRC (including but not limited to the State Administration of Foreign Exchange) is 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).

Events of default

Major events of default under the Bond Instrument are summarized below:

- (a) failure of the Company to pay the principal or premium (if any) of or any interest on any of the Convertible Bonds when due, or to deliver the required number of Conversion Shares following conversion of any Convertible Bond, and such failure continues for a period of 3 Business Days;
- (b) failure of the Company, the Guarantor or a provider of the Security to perform or comply with any of its other obligations under the Bond Instrument or Security Documents to which it is a party and such default is not remedied within 30 days after notice requiring the same to be remedied is served on the Company by any Bondholder holding not less than 75% of the outstanding principal amount of the Convertible Bonds or by any Bondholder pursuant to a special resolution passed by the Bondholders requiring the default to be remedied;
- (c) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any part of the property, assets and revenues of the Company or any Major Subsidiary, which in the reasonable opinion of the Bondholders, has and would have a material adverse effect on the Company or such Major Subsidiary and is not discharged or stayed within 30 days (or such longer period as the Bondholders may consider to be reasonably appropriate);
- (d) the Company or any Major Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as and when they fall due; stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts; makes any agreement for deferral, rescheduling or other readjustment of all its debts; threatens, proposes or makes a general assignment or an arrangement or composition with or for the benefit of creditors; or an administrator or liquidator in respect of the whole or part of the assets and turnover of the Company or any Major Subsidiary is appointed;
- (e) an order of a court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution or administration (or equivalent procedure) of the Company or any Major Subsidiary or the directors of the Company or any Major Subsidiary request or the appointment of administrator (or equivalent person) or the Company ceases or threaten to cease to carry on all or material part of its business or operations, subject to certain exemptions provided in the Bond Instrument;
- (f) an administrator or other receiver or manager (or equivalent person) is duly appointed of the Company or any Major Subsidiary or the directors of the Company or any Major Subsidiary request any person to appoint such an administrator or other receiver or manager (or equivalent person) over either of them or any of their respective assets or properties;

- (g) the listing of the Company on the Stock Exchange is terminated or the Shares are suspended for trading for a period of more than 10 consecutive trading days in any period of 12 months other than pending clearance by the regulatory authorities in Hong Kong in relation to any acquisition, disposal or formation of joint venture undertaken by the Company;
- (h) any other present or future indebtedness of the Company or any of its subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like, or any such indebtedness is not paid when due or within the applicable grace period or the Company or any subsidiary fails to pay when due any amount payable by it under any present or future indebtedness or under any present or future guarantee for, or indemnity in respect of, moneys borrowed, where the aggregate amount of one or more aforementioned events equals or exceeds US\$35,000,000 or its equivalent in other currency;
- (i) any present or future liabilities of the Company or any of its subsidiaries being breached by the Company or any of its subsidiaries by reason of any actual or potential default, an event of default under the Bond Instrument or the like, where the aggregate amount of the relevant liabilities equals or exceeds US\$35,000,000 or its equivalent in other currency;
- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any Major Subsidiary; or the Company or any Major Subsidiary is prevented from exercising normal control over all or any substantial part of its property, assets and turnover;
- (k) any action, condition or thing required to be taken, fulfilled or done to enable the Company, the Guarantor or a provider of Security lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds and any other Transaction Document to which it is a party, to ensure that those obligations are legally binding and enforceable and to make the Convertible Bonds admissible in evidence in the courts of Bermuda or Hong Kong is not taken, fulfilled or done;
- (l) it is or will become unlawful for the Company, the Guarantor or a provider of the Security to perform or comply with any of its material obligations under the Subscription Agreement, the Bond Instrument or other Transaction Documents to which it is a party or for any party to exercise its rights under the aforementioned documents;
- (m) any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Company or any Major Subsidiary;
- (n) there is a change of control (within the meaning of the Hong Kong Code on Takeovers and Mergers) of the Company;

- (o) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or
- (p) a representation or warranty made or deemed to be repeated by the Company and the Guarantor in the Bond Instrument is incorrect or misleading in any material respect, unless the circumstances giving rise to the misrepresentation or breach of warranty are capable of remedy, and are remedied within 30 days after notification or becoming aware of misrepresentation or breach of warranty by the Company or the Guarantor.

If any of the above events of default occurs and is continuing, the Bondholders may, if so decided by a special resolution, provide written notice to the Company to require the Company to redeem the whole (but not part) of the outstanding principal amount of the Convertible Bonds at the redemption price to be determined according to the following formula:

$$A + B + C$$

Where:

- “A” refers to 100% of the principal amount of the Convertible Bonds then outstanding.
- “B” refers to all interest accrued thereon and unpaid as at the date of the written notice given by the Bondholders.
- “C” refers to a redemption premium the aggregate amount of which will be determined by the following formula:

$$P \times (1+20\%)^{N/365} - P - E$$

where:

P represents the principal amount of the Convertible Bonds then outstanding;

N represents the number of days from the Issue Date to the date on which the entire redemption price is received by the Bondholders (both dates inclusive) (provided that the number of days of a complete full year shall be 365 days); and

E represents all interest received by the Bondholders under the Convertible Bonds and all interest accrued on the Convertible Bonds and unpaid as at the date of written notice given by the Bondholders.

The Security shall become immediately enforceable if an event of default occurs and is continuing after written notice has been given by the Bondholders.

Initial Conversion Price

The initial Conversion Price was determined after arm's length negotiation between the Company and Fosun International with reference to a premium of 5.97% over the average closing price of HK0.972 per Share of 5 trading days immediately before the date on which the Framework Agreement was entered into.

The initial Conversion Price represents:

- (a) a discount of approximately 4.63% to the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on 20 April 2015, being the date of the Subscription Agreement; and
- (b) a discount of approximately 12.86% to the average closing price of HK\$1.182 per Share as quoted on the Stock Exchange for the last 5 trading days up and including 20 April 2015

The Directors consider that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the CB Issue, the Security and the issue of the Conversion Shares) are on normal commercial terms, fair and reasonable having considered the then market conditions when the Framework Agreement was entered into and in the interests of the Company and the Shareholders as a whole.

Conditions of the CB Issue

The CB Issue is conditional upon the fulfilment of the following CB Conditions:

- (a) the Subscriber having conducted due diligence investigation on the legal position, finance position, operation and assets of the Group and the results are satisfactory to the Subscriber;
- (b) the Listing Committee of the Stock Exchange having granted to the Company the listing of, and permission to deal in, the Conversion Shares or such number of Conversion Shares which may be issued at the initial Conversion Price (which is subject to no condition or conditions which are consistent with the market practice);
- (c) the Company, the Guarantor and the Subscriber having obtained all necessary approval, consent, or authorization (where applicable) from governmental authorities, internal departments of the Company, the Guarantor and the Subscriber respectively or other third parties for the entering into of the Subscription Agreement and the transactions contemplated thereunder;

- (d) all warranties made by the Company and the Guarantor in the Subscription Agreement remaining true, accurate, complete and not misleading;
- (e) the Subscription Agreement, the Bond Instrument (including certificate(s) of the Convertible Bonds) and all other Transaction Documents having been entered into and delivered and all parties (except the Subscriber) having complied with all agreements, discharged all obligations and satisfied all conditions (as the case may be) required to be complied with, discharged or satisfied on or before the date of CB Issue Completion pursuant to the Transaction Documents, including the grant of the Special Mandate to issue the Conversion Shares by the Shareholders;
- (f) no material adverse change (as defined in the Subscription Agreement) having occurred; and
- (g) the Company and the Guarantor having issued a letter dated the date of CB Issue Completion and signed by their authorised signatories confirming that CB Conditions (d) to (f) above have been satisfied.

The Subscriber may at its discretion and upon such terms as it thinks fit, waive the CB Conditions. If any of the CB Conditions is neither satisfied nor waived by the Subscriber by 30 June 2015 (or such later date as parties to the Subscription Agreement may agree), the Subscription Agreement will terminate (except that the confidentiality and indemnity clauses of the Subscription Agreement will continue to be in full force) without prejudice to the rights and remedies available to a party in respect of any breach(es) prior to termination of the Subscription Agreement.

Termination

The Subscriber may, by giving notice to the Company at any time prior to payment of the subscription money for the Convertible Bonds, terminate the Subscription Agreement under the following circumstances:—

- (a) (i) if, in the opinion of the Subscriber, since the date of the Subscription Agreement, there shall have been such a change (whether or not foreseeable at the date of the Subscription Agreement) in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would be in their view be likely to prejudice materially the success of the offering and distribution of Convertible Bonds value of or dealings in the Convertible Bonds; or (ii) if there occurs any disruption to trading in any securities of the Company (for reasons other than the announcement of the Convertible Bonds) or trading generally on any stock exchange for more than consecutive 10 trading days;

- (b) there shall have occurred a general moratorium on, or disruption in, commercial banking activities in the United States or the New York State, the United Kingdom, the European Union, Hong Kong or Singapore declared by U.S. federal or New York State authorities, or the relevant authorities of the United Kingdom, the European Union, Hong Kong or Singapore; or
- (c) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States, the United Kingdom, the European Union, Hong Kong or Singapore of a national emergency or war or other calamity or crisis, the effect of which on financial market is such as to make it, in the sole judgment of the Subscriber, impractical or inadvisable to proceed with the issue or delivery of the Convertible Bonds.

Completion

Subject to fulfilment of the CB Conditions, the CB Issue Completion will take place on the 10th business day after the fulfilment of all the CB Conditions or such later date as the parties to the Subscription Agreement may agree.

Specific mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued under Specific Mandate. The SGM will be convened and held for the purpose of considering and, if thought fit, approving, among other things, the grant of the Specific Mandate.

A circular containing, among other things, further details of the Subscription Agreement, the Convertible Bonds, the Specific Mandate and the notice of the SGM, will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

Listing application

No application will be made for the listing of, and permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

The Company shall apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of Conversion Shares upon full conversion of the Convertible Bonds at its initial conversion price; (iii) immediately after the allotment and issue of Shares upon full conversion and exercising of all the Outstanding Convertible Securities at their respective initial conversion prices; and (iv) immediately after the allotment and issue of conversion shares upon full conversion of all the Outstanding Convertible Securities, the proposed convertibles and the Convertible Bonds at their respective initial conversion price (assuming that there is no other change in the issued share capital of the Company from the date of this announcement and up to date of CB Issue Completion) are set out below:

	(i)		(ii)		(iii)		(iv)	
	As at the date of this announcement		Immediately after the allotment and issue of Shares upon full conversion of the Convertible Bonds at its initial conversion price		Immediately after the allotment and issue of Shares upon full conversion of all Outstanding Convertible Securities and the Convertible Bonds at their respective initial conversion price		Immediately after the allotment and issue of Shares upon full conversion of all Outstanding Convertible Securities, the proposed convertibles and the Convertible Bonds at their respective initial conversion price (note 6)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
China Merchants New Energy Group Limited and parties acting in concert with it								
China Merchants New Energy Group Limited (Note 1)	567,538,250	11.97	567,538,250	11.69	1,007,574,250	13.33	1,007,574,250	11.19
Snow Hill Developments Limited (Note 2)	103,111,436	2.17	103,111,436	2.12	103,111,436	1.36	103,111,436	1.14
Magicgrand Group Limited (Note 3)	141,230,827	2.98	141,230,827	2.91	141,230,827	1.87	141,230,827	1.57
Pairing Venture Limited (Note 4)	18,173,487	0.38	18,173,487	0.37	18,173,487	0.24	18,173,487	0.20
Renewable Energy Trade Board Corporation (Note 5)	253,977,621	5.36	253,977,621	5.23	333,925,621	4.42	333,925,621	3.71
Sino Arena Investments Limited	58,361,516	1.23	58,361,516	1.20	98,381,516	1.30	98,381,516	1.09
Sub-total:	1,142,393,137	24.09	1,142,393,137	23.53	1,702,397,137	22.52	1,702,397,137	18.90
Other associates of China Merchants Group Limited								
China Merchants Fund Management Limited	–	–	–	–	509,517,668	6.74	509,517,668	5.66
Shenzhen China Merchants Yinke Investment Management Limited	–	–	–	–	555,854,810	7.35	555,854,810	6.17
Sub-total:	–	–	–	–	1,065,372,478	14.09	1,065,372,478	11.83
Subsidiaries of Fosun International								
Financial Vantage Limited	–	–	–	–	169,531,250	2.24	169,531,250	1.88
The Subscriber	70,924,000.00	1.50	183,788,077	3.79	183,788,077	2.43	183,788,077	2.04
Sub-total:	70,924,000.00	1.50	183,788,077	3.79	353,319,327	4.67	353,319,327	3.92
Other Shareholders	3,527,949,188	74.41	3,527,949,188	72.68	4,437,727,524	58.71	5,886,756,649	65.35
Total:	4,741,266,325	100	4,854,130,402	100	7,558,816,466	100	9,007,845,591	100

Notes:

1. China Merchants New Energy Group Limited (“**CMNEG**”) is indirectly owned as to 79.36% by China Merchants Group Limited (“**China Merchants**”) and directly owned as to 20.64% by Magicgrand Group Limited (“**Magicgrand**”).
2. Snow Hill Developments Limited (“**Snow Hill**”) is indirectly and wholly owned by China Merchants.
3. Magicgrand is directly and indirectly wholly owned by Mr. Li, Alan, an executive director and chief executive officer of the Company.
4. Pairing Venture Limited (“**Pairing**”) is directly and wholly owned by Mr. Li, Alan, an executive director and chief executive officer of the Company.
5. Renewable Energy Trade Board Corporation (“**EBOD**”) is owned as to 11.59% by Magicgrand, as to 8.13% by Snow Hill and as to 80.28% by other third parties. The number of Shares held by EBOD as disclosed in the table includes Shares owned by two wholly owned subsidiaries of EBOD.
6. The proposed convertibles include (i) convertible bonds in the principal amount of US\$30,000,000 (equivalent to HK\$232,500,000) to be issued to Golden Express Capital Ltd. by the Company pursuant to a subscription agreement dated 4 March 2015; and (ii) convertible bonds in the principal amount of HK\$1.26 billion to be issued to Chinastone Capital Management Limited* (濤石股權投資管理 (上海) 有限公司) by the Company pursuant to a subscription agreement dated 17 April 2015.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Transaction	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
18 December 2014	issue of 380,000,000 Shares	approximately HK\$379 million	general working capital	to be used as intended
23 January 2015	issue of convertible bonds in the principal amount of HK\$524,803,198.8	approximately HK\$522.8 million	general working capital and capital expenditure	to be used as intended
4 March 2015	issue of convertible bonds in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,500,000)	approximately HK\$232 million	general working capital for the development, construction, maintenance and operation of solar power plant(s)	completion of the issue of the convertible bonds has not yet taken place as at the date of this announcement
17 April 2015	issue of convertible bonds in the principal amount of HK\$1.26 billion	approximately HK\$1.259 billion	general working capital for the acquisition of the solar power plant(s)	completion of the issue of the relevant convertible bonds has not yet taken place as at the date of this announcement

Save as disclosed above, the Company has not conducted any other equity fund raising exercise in the past twelve months before the date of this announcement.

INFORMATION ON THE SUBSCRIBER AND FOSUN INTERNATIONAL

The Subscriber is a company with limited liability established in Hong Kong, principally engaged in reinsurance business. The Subscriber is an indirect non-wholly owned subsidiary of Fosun International, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00656) and the principal businesses of which include integrated finance (insurance, investment, asset management and banking and other financial business) and industrial operations (health, happy lifestyle, steel, property development and sales and resources).

As of the date of the announcement, Fosun International, through the Subscriber, beneficially owns 70,924,000 Shares, representing approximately 1.50% of the issued share capital of the Company, and, through another subsidiary, holds certain convertible bonds due 2016 in the principal amount of US\$35 million convertible into 169,531,250 Shares upon conversion.

INFORMATION ON THE COMPANY

The Company is an investment holding company and the Group is principally engaged in the development, investment, operation and management of solar power plants.

REASONS FOR THE CB ISSUE AND USE OF PROCEEDS

It is the Group's strategy to identify suitable investment opportunities to acquire solar power plants with good prospects and potential for stable returns. The Company issues the Convertible Bonds to raise funds for the development, construction, maintenance and operation of the Target Solar Power Plant(s).

It is expected that, after deduction of the estimated expenses of approximately HK\$0.5 million, net proceeds of approximately HK\$115.75 million will be raised through the CB Issue, which will be used to finance the acquisition of the Target Company(ies).

The Directors (including independent non-executive Directors) consider that the CB Issue and transactions contemplated thereunder are on normal commercial terms determined after arm's length negotiation among the parties, fair and reasonable and in the interests of the Company and the Shareholders as whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bond Instrument”	the deed to be executed by the Company which will constitute the Convertible Bonds and contain the terms and conditions of the Convertible Bonds
“Bondholder(s)”	holders(s) of the Convertible Bonds, including all subsequent transferee(s) of the Convertible Bonds
“CB Condition(s)”	the condition(s) set out in the paragraph headed “Conditions of the CB Issue” under the section headed “CB Issue – The Subscription Agreement – Principal terms of the Convertible Bonds” in this announcement
“CB Issue”	the issue of the Convertible Bonds pursuant to the terms of the Subscription Agreement
“CB Issue Completion”	the completion of the CB Issue
“Company”	United Photovoltaics Group Limited (聯合光伏集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Period”	the period commencing from the day immediately following the Issue Date and ending on the fifth business day prior to the Maturity Date (both days inclusive)
“Conversion Price”	HK\$1.03 per Share, subject to adjustment under the terms and conditions of the Convertible Bonds
“Conversion Right(s)”	the right(s) of the Bondholder(s) to convert the whole or part of the outstanding principal amount of the Convertible Bonds into Conversion Shares, subject to the terms of the Convertible Bonds

“Conversion Share(s)”	the Share(s) to be allotted and issued by the Company: upon (i) exercise of the Conversion Rights attaching to the Convertible Bonds; and/or (ii) in payment of the accrued and unpaid interest under the Convertible Bonds; and/or (iii) upon a Mandatory Conversion
“Convertible Bond(s)”	the 7.5% secured three-year convertible bonds in the principal amount of US\$15 million (equivalent to approximately HK\$116.25 million) to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Directors”	the directors of the Company
“Framework Agreement”	the agreement dated 7 January 2015 and entered into between the Company and a subsidiary of Fosun International in relation to the proposed subscription of convertible bonds of the Company by that subsidiary of Fosun International in the principal amount of US\$15 million (equivalent to approximately HK\$116.25 million), details of which are disclosed in the announcement of the Company dated 7 January 2015
“Fosun International”	Fosun International Limited, with limited liability established in Hong Kong whose the shares are listed on the Main Board of the Stock Exchange (stock code: 00656)
“Guarantor”	Profit Icon Investments Limited, a company with limited liability established in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Issue Date”	the day on which the Convertible Bonds are issued pursuant to the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Major Subsidiary”	a subsidiary of the Company the total assets, profits or revenue of which represents 5% or more under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules, and shall include the Target Company(ies)
“Mandatory Conversion”	mandatory conversion of the outstanding principal amount of the Convertible Bonds into Conversion Shares by the Company in accordance with the terms of the Bonds Instrument
“Maturity Date”	in respect of each Convertible Bond, the date falling on the third anniversary of the Issue Date
“MW”	megawatts, which equals 1,000,000 watt
“Outstanding Convertible Securities”	all the outstanding convertible securities of the Company issued and disclosed on the respective dates and their numbers of Shares convertible as of the date of this announcement: (a) the Series B convertible bonds due 2018 in the principal amount of HK\$847,964,000, the outstanding principal amount of which of HK\$847,964,000 is convertible into a total of 847,964,000 Shares at the current conversion price of HK\$1.00 per Share (subject to adjustments); (b) the consolidated 5% secured guaranteed convertible bonds due 2016 in the principal amount of US\$120,000,000, the outstanding principal amount of which of US\$120,000,000 is convertible into a total of 581,250,000 Shares at the current conversion price of HK\$1.60 per Share (subject to adjustments); (c) the convertible bonds issued on 27 December 2013 in the principal amount of HK\$232,959,339, the outstanding principal amount of which of HK\$232,959,339 is convertible into a total of 145,599,586 Shares at the current conversion price of HK\$1.60 per Share (subject to adjustments); (d) the convertible bonds issued on 20 April 2015 in the principal amount of HK\$524,803,198.8 the outstanding principal amount of which of HK\$524,803,198.8 is convertible into a total of 509,517,668 Shares at the current conversion price of HK\$1.03 per Share (subject to adjustments);

- (e) a maximum of 555,854,810 Shares to be issued pursuant to an option agreement dated 23 January 2015; and
- (f) 64,500,000 Shares to be issued pursuant to the share options granted on 8 January 2015

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Requisite Bondholder(s)”	Bondholders representing more than 50% of the total principal amount of the outstanding Convertible Bonds
“Security”	security under the Subscription Agreement set out in the paragraph headed “Security” under the section headed “CB Issue – The Subscription Agreement – Principal terms of the Convertible Bonds” in this announcement
“Security Documents”	means agreement(s) in respect of the Security
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if think fit, pass resolution(s) by the Shareholders to approve, among other things, the Subscription Agreement, the CB Issue and the Specific Mandate and the transactions contemplated thereunder
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes of the Company resulting from any subdivision, consolidation or re-classification of those shares
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought at the SGM for the allotment and issue of the Conversion Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscriber”	Peak Reinsurance Company Limited (鼎睿再保險有限公司), a company incorporated in Hong Kong and whose 85.1% equity interest is indirectly held by Fosun International

“Subscription Agreement”	the subscription agreement dated 20 April 2015 and entered into among the Company, the Guarantor and the Subscriber in relation to the CB Issue
“Target Company(ies)”	project company(ies) which own the Target Solar Power Plant(s) to be identified and acquired by the Group and to be pledged/charged to the initial Subscriber as Security
“Target Solar Power Plant(s)”	solar power plant(s) with an aggregate installed capacity of approximately 20 MW in the PRC owned by the Target Company(ies)
“Transaction Documents”	the Subscription Agreement, the Bond Instrument, the certificate(s) evidencing the title of the Bondholder(s) to the Convertible Bonds, the Security Documents and any other documents related to the Convertible Bonds
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 20 April 2015

In this announcement, the conversion of US\$ into HK\$ has been made at a rate of US\$1:HK\$7.75. Such conversion should not be construed as a representation that any amount has been, could have been or may be, exchanged at this 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.