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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)

**(1) ISSUE OF HK\$1.26 BILLION 7.5% SECURED CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

AND

(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 17 April 2015 (after trading hours), the Company and Chinastone, entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue, and Chinastone conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$1.26 billion.

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 1,223,300,970 Conversion Shares will be issued, representing approximately 25.80% of the issued share capital of the Company as at the date of this announcement and approximately 20.51% 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\$1 million, net proceeds of approximately HK\$1.259 billion will be raised through the CB Issue, which will be used to finance, through the SPV, the acquisition of the Target Company(ies).

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, *inter alia*, the grant of the Specific Mandate.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares, which shall rank *pari passu* with each other in all respects.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution at the SGM by the Shareholders approving the Increase in Authorised Share Capital.

A circular containing, among other things, further details of the Subscription Agreement, the Convertible Bonds, the Specific Mandate, the Increase in Authorised Share Capital 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 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.

ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the announcements of the Company dated 30 December 2014 and 31 March 2015 in respect of the Framework Agreement entered into between the Company and Chinastone in relation to the proposed subscription of the convertible bonds of the Company by Chinastone.

On 17 April 2015 (after trading hours), the Company and Chinastone, entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue, and Chinastone conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$1.26 billion.

Details of the Subscription Agreement are set out below.

CB ISSUE

The Subscription Agreement

Date

17 April 2015

Issuer

The Company

Subscriber

Chinastone

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed in the section headed "Information on Chinastone" below, Chinastone 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 HK\$1.26 billion 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 during the Conversion Period. Assuming exercise in full of the Conversion Rights at the initial Conversion Price of HK\$1.03, an aggregate of 1,223,300,970 Conversion Shares will be issued, representing approximately 25.80% of the issued share capital of the Company as at the date of this announcement and approximately 20.51% 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 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

HK\$1.26 billion

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 quarterly 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 quarterly in arrears, the maximum accrued interest at any point of time during the term of the Convertible Bonds will not exceed HK\$23,625,000, the amount of interest for one quarter. 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 of HK\$1.03, a maximum of 22,936,893 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 last day of a six-month period immediately following the Issue Date and ending on 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;
- (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 under the Listing Rules) becoming the largest Shareholder.

Within five Business Days upon occurrence of any of the following circumstances, 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 last day (excluded) of the six-month period immediately following 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 or subdivision;
- (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);
- (c) 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 law and 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;
- (d) 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 new 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;
- (e) where the Company or any other company issues wholly for cash 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;

- (f) where the rights of conversion or exchange attached to any such securities as are mentioned in sub-paragraph (e) 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;
- (g) where the Company issues wholly for cash any 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 such issue;
- (h) where the Company makes an offer or invitation to the Shareholders to tender for sale to the Company any Shares or if the Company purchases any Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or such other recognised stock exchange) and the Directors and the Bondholders jointly consider and agree that it may be appropriate to make an adjustment to the Conversion Price, at that time the Directors shall appoint an approved merchant bank which is approved by the Bondholders or (with prior approval of the Bondholders) the auditors of the Company to consider in its opinion that it is appropriate to make an adjustment to the Conversion Price.

Notwithstanding the specific adjustment events set out in the Bond Instrument, in any circumstances where the Directors and Bondholders shall jointly consider and agree that an adjustment to the Conversion Price provided for under the specific adjustment 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 said provisions set out in the Bond Instrument or that such adjustment shall take effect on a date or at a time different from that provided under the said provisions, the Directors shall appoint an approved merchant bank which is approved by Bondholders 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, *inter alia*, a signed certificate of the auditors of the Company or the relevant approved merchant bank and a certificate signed by a Director setting out brief particulars the adjustment to the Conversion Price. The Company will make announcement 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\$1 million to be incurred by the Company for the CB Issue) is HK\$1.029.

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 Chinastone or its appointee as agent for and on behalf of all the Bondholders:

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

The Company undertakes that it will immediately after the CB Issue Completion identify the Target Company(ies), and, subject to satisfactory due diligence results of such Target Company(ies) and the right of objection of Chinastone after receiving and reviewing the relevant information of such Target Company(ies), proceed to acquire the Target Company(ies) and provide the above securities (other than the share pledge over the equity interest in the SPV to be created prior to the CB Issue) in favour of Chinastone.

In case any of the abovementioned securities is required for the purpose of obtaining bank facilities for the acquisition and operation of the relevant Target Solar Power Plant(s), Chinastone will consider, if thought fit, release such security created in its favour.

Events of default

Major events of default under the Bond Instrument are summarised 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 and such failure continues for a period of 30 days;
- (b) failure of the Company to perform or comply with any of its other obligations under the Convertible Bonds, the Subscription Agreement or the Bond Instrument 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 or group of Bondholders holding not less than 75% of the outstanding principal amount of the Convertible Bonds on the Company;
- (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 45 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 (or of any part which it will or might otherwise be unable to pay when due);
- (e) an order of a court 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 at any time terminated or the Shares are suspended for trading for a period of more than 20 consecutive trading days and the Company is unable to provide a reason therefor;

- (h) the issue of any other class of bonds or debts to which the Convertible Bonds will become subordinating; and
- (i) the articles of association of the SPV is amended without the prior written consent of Chinastone.

If any of the above events of default occurs and is continuing, a Bondholder or a group of Bondholders, in each case holding not less than 75% of the outstanding principal amount of the Convertible Bonds may 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 the written notice given by the Bondholders.

The Security shall become immediately enforceable if an event of default occurs and is continuing for more than 30 days after the 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 Chinastone with reference to a premium of 11.96% over the average closing price of HK\$0.92 per Share of 5 trading days immediately before 30 December 2014 being the date on which the Framework Agreement was entered into.

The initial Conversion Price represents:

- (a) a discount of approximately 13.45% to the closing price of HK\$1.19 per Share as quoted on the Stock Exchange on 17 April 2015, being the date of the Subscription Agreement; and
- (b) a discount of approximately 15.44% to the average closing price of HK\$1.218 per Share as quoted on the Stock Exchange for the last 5 trading days up and including 17 April 2015.

The Directors consider that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the CB Issue, the provision of the Security and the issue of the Conversion Shares) are normal commercial terms, fair and reasonable having considered the then market conditions 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) Chinastone having conducted due diligence investigation on the legal position, financial position, operation and assets of the Group and the results are satisfactory to Chinastone;
- (b) the passing of resolutions by the Shareholders at the SGM by way of poll approving the Increase in Authorised Share Capital, the Subscription Agreement and the transactions contemplated thereunder (including the issue of the Conversion Shares by the Directors pursuant to the Bond Instrument);
- (c) 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 market practice);
- (d) the Company and Chinastone having obtained all necessary approval, consent, or authorization (where applicable) from governmental authorities, internal departments of the Company and Chinastone respectively or other third parties for the entering into of the Subscription Agreement and the transactions contemplated thereunder;

- (e) the Subscription Agreement and the Bond Instrument having been executed by the parties thereto and become effective and the Company and Chinastone having executed the pledge agreement in relation to the pledge of all the equity interest in the SPV; and
- (f) Chinastone having approved in writing the clauses of the articles of association of the SPV.

None of the CB Conditions can be waived by any party to the Subscription Agreement. If any of the CB Conditions is not fulfilled by 30 September 2015 (or such other date as parties to the Subscription Agreement may agree), the Subscription Agreement will be terminated (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 prior to termination of the Subscription Agreement.

Completion

Subject to fulfillment of the CB Conditions, the CB Issue Completion will take place on the seventh Business Day after the fulfillment of all the CB Conditions or such other 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, *inter alia*, the grant of the Specific Mandate.

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 of all outstanding convertibles and options to acquire the Shares and the Convertible Bonds at their respective initial conversion prices; and (iv) immediately after the allotment and issue of conversion shares upon full conversion of all outstanding and proposed convertibles and options

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 conversion Shares upon full conversion of the Convertible Bonds at its initial conversion price		Immediately after the allotment and issue of conversion Shares upon full conversion of all outstanding convertibles and options and the Convertible Bonds at their respective initial conversion price (Notes 6, 7 and 8)		Immediately after the allotment and issue of conversion Shares upon full conversion of all outstanding and proposed convertibles and options and the Convertible Bonds at their respective initial conversion price	
	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	9.52	1,007,574,250	13.25	1,007,574,250	11.32
Snow Hill Developments Limited (Note 2)	103,111,436	2.17	103,111,436	1.73	103,111,436	1.36	103,111,436	1.16
Magicgrand Group Limited (Note 3)	141,230,827	2.98	141,230,827	2.37	141,230,827	1.86	141,230,827	1.59
Pairing Venture Limited (Note 4)	18,173,487	0.38	18,173,487	0.30	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	4.26	333,925,621	4.39	333,925,621	3.75
Sino Arena Investments Limited	58,361,516	1.23	58,361,516	0.98	98,381,516	1.29	98,381,516	1.11
Sub-total:	1,142,393,137	24.09	1,142,393,137	19.15	1,702,397,137	22.39	1,702,397,137	19.13
Other associates of China Merchants Group Limited								
China Merchants Fund Management Limited	–	–	–	–	–	–	513,592,233	5.77
Shenzhen China Merchants Yinke Investment Management Limited	–	–	–	–	–	–	555,854,810	6.25
Sub-total:	–	–	–	–	–	–	1,069,447,043	12.02
Chinastone	–	–	1,223,300,970	20.51	1,223,300,970	16.09	1,223,300,970	13.75
Other Shareholders	3,598,873,188	75.91	3,598,873,188	60.34	4,678,182,774	61.52	6,127,211,899	55.11
Total:	4,741,266,325	100	5,964,567,295	100	7,603,880,881	100	8,899,056,079	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. On 10 June 2013, the Company issued convertible bonds in the principal amount of HK\$1,160,447,750 to various parties including CMNEG, China Green Holdings Limited, Sino Arena Investments Limited, Pairing and Magicgrand to satisfy part of the consideration of an acquisition pursuant to a sale and purchase agreement dated 22 November 2012. As at the date of this announcement, the outstanding principal amount of such convertible bonds 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.
7. On 14 November 2013, the Company issued a consolidated series of convertible bonds in the principal amount of US\$120,000,000 to various parties pursuant to two subscription agreements dated 27 September 2013 and 16 October 2013 respectively. As at the date of this announcement, the outstanding principal amount of such convertible bonds 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.
8. On 27 December 2013, the Company issued convertible bonds in the principal amount of HK\$232,959,339 pursuant to a subscription agreement dated 13 September 2013. As at the date of this announcement, the outstanding principal amount of such convertible bonds 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.

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	HK\$379 million	general working capital	proposed to be used as intended.
23 January 2015	issue of convertible bonds in the principal amount of up to HK\$529,000,000	HK\$527 million	general working capital and capital expenditure	completion of the issue of the relevant convertible bonds has not yet taken place as at the date of this announcement.
4 March 2015	issue of convertible bonds in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,500,000)	HK\$232 million	general working capital for the development, construction, maintenance and operation of 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 CHINASTONE

Chinastone is a company with limited liability established under the laws of the PRC, which is specialised in the investment in the energy sector. Chinastone is equally owned by Ping An Insurance (Group) Company of China, Ltd.* (中國平安保險(集團)股份有限公司), a company with limited liability established under the laws of China, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2318) and on the Shanghai Stock Exchange (stock code: 601318), and San Shan (HK) Limited, a company incorporated in Hong Kong with limited liability.

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\$1 million, net proceeds of approximately HK\$1.259 billion will be raised through the CB Issue, which will be used to finance, through the SPV, 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 between the parties, fair and reasonable and in the interests of the Company and the Shareholders as whole.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The current authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Shares.

As at the date of this announcement, 4,741,266,325 Shares were in issue and there were outstanding options carrying rights to subscribe for an aggregate of 64,500,000 Shares and outstanding convertible notes carrying rights to subscribe for an aggregate of 1,574,813,586 Shares. In order to provide the Company with flexibility for future investment opportunities, the Board proposes to increase the authorised share capital of the Company to HK\$2,000,000,000 by the creation of an additional 10,000,000,000 Shares, which shall rank *pari passu* with each other in all respects.

Immediately after completion of the Increase of Authorised Share Capital and assuming no new Shares are issued or no Shares are repurchased from the date of this announcement up to the SGM, the authorised share capital of the Company will be HK\$2,000,000,000 divided into 20,000,000,000 Shares, with 4,741,266,325 Shares in issue and 15,258,733,675 Shares remaining unissued.

The proposed Increase of Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

GENERAL

A circular containing, among other things, further details of the Subscription Agreement, the Convertible Bonds, the Specific Mandate, the Increase in Authorised Share Capital 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 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.

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
“Business Day”	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“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” 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

“Chinastone”	Chinastone Capital Management Limited* (濤石股權投資管理 (上海) 有限公司) , a company with limited liability established under the laws of the PRC
“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 last day of a six-month period immediately following the Issue Date and ending on the Maturity Date (both dates 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 attached 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 HK\$1.26 billion to be issued by the Company to Chinastone or its appointee pursuant to the Subscription Agreement
“Directors”	the directors of the Company

“Framework Agreement”	the agreement dated 30 December 2014 (as supplemented by a letter dated 31 March 2015) entered into between the Company and Chinastone in relation to the proposed subscription of convertible bonds of the Company by Chinastone in the principal amount of HK\$1.26 billion, details of which are disclosed in the announcements of the Company dated 30 December 2014 and 31 March 2015
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Increase in Authorised Share Capital”	the increase in authorised share capital of the Company from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares
“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
“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 Bond 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

“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
“Security”	security enforceable 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
“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, the Increase in Authorised Share Capital, 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 reclassification 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
“SPV”	a wholly-owned subsidiary to be incorporated by the Company in the PRC, which will be the special purpose vehicle to make investment in the Target Company(ies) by using the proceeds from the CB Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 17 April 2015 entered into between the Company and Chinastone in relation to the CB Issue

“Target Company(ies)”

project company(ies) which own(s) the Target Solar Power Plant(s) in the PRC to be identified and acquired by the Company

“Target Solar Power Plant(s)”

solar power plant(s) with an aggregate installed capacity of approximately 300 MW owned by the Target Company(ies)

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

Hong Kong, 17 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.

* *For identification purpose only*