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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)

STRATEGIC COOPERATION AGREEMENT

This is a voluntary announcement made by United Photovoltaics Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). This announcement is intended to enable our shareholders and potential investors to understand the latest business development update of the Group.

STRATEGIC COOPERATION AGREEMENT

The board of directors of the Company is pleased to announce that, on 29 December 2015, the Company, China Merchants New Energy Group Limited and CITIC Financial Leasing Co., Ltd.* (中信金融租賃有限公司) (“**CITIC Leasing**”) have entered into a three-year strategic cooperation agreement in relation to the acquisition and investment of existing and future pipeline solar power plant projects by the Group, within the permissive scope of the applicable laws and regulations and subject to the required approvals from the relevant regulatory and internal authorities of the parties and the definitive agreement(s) being entered into (if any) in respect to specific arrangement for projects (the “**Strategic Cooperation Agreement**”).

As a preferred strategic partner of CITIC Leasing, the Group will receive comprehensive, one-stop and customized financial services and other assistance under the Strategic Cooperation Agreement, which includes:

- (i) provision of credit facilities and financing of up to RMB10 billion to the Group by CITIC Leasing, including lease arrangements and securitization services for specific solar power plant projects;
- (ii) priority and preferential interest rate may be available for construction financing and acquisition financing from CITIC Leasing funding the investment and acquisition of solar power plant projects by the Group, subject to internal approval requirements of CITIC Leasing;

- (iii) cooperation between the Group and CITIC Leasing in relation to innovative structured finance model in the capital market; and
- (iv) introduction of potential solar power plant projects across the nation by CITIC Leasing for acquisition by the Group.

It is believed that the Strategic Cooperation Agreement will lead to utilisation of the respective market advantages and resources of the parties on a wide range of financing and investment cooperation in relation to solar power plant projects.

INFORMATION ON THE PARTIES

The Company is an investment holding company and the Group is principally engaged in the development, investment, operation and management of solar power plants. It is the Group's strategy to identify suitable investment opportunities to acquire solar power plants with good prospects and potential for stable returns.

China Merchants New Energy Group Limited is a subsidiary of China Merchants Group Limited and it is a substantial shareholder of the Company.

CITIC Leasing is a finance lease company established in the People's Republic of China with approval of China Banking Regulatory Commission, and it is a wholly-owned subsidiary of China CITIC Bank Corporation Limited (中信銀行股份有限公司), which is joint stock limited company incorporated in the People's Republic of China and the H shares and A shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 0998) and the Shanghai Stock Exchange (stock code: 601998), respectively.

Shareholders of the Company and/or investors should note that any possible transaction contemplated under the Strategic Cooperation Agreement may or may not materialise, as no definitive agreement has been executed between the parties. Accordingly, shareholders of the Company and/or investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 December 2015

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