THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in United Photovoltaics Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any 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)

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to

the Independent Board Committee and the Independent Shareholders

高銀融資有限公司

GOLDIN FINANCIAL LIMITED

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 4 to 13 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser containing its advices to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 32 of this circular.

A notice convening the SGM to be held at 3:00 p.m. on Wednesday, 28 January 2015, at Unit 1407, 14/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong is set out on pages 54 to 56 of this circular. A form of proxy for the SGM is enclosed. Whether or not you intend to attend and vote at the SGM or any adjourned meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

12 January 2015

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Pages

In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below.

"Announcement"	the announcement of the Company dated 18 December 2014 in relation to the CM Subscription
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day (other than a Saturday or a Sunday) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
"CMNEG"	China Merchants New Energy Group Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder of the Company
"Company"	United Photovoltaics Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 686)
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"CM Subscription"	the proposed subscription of an aggregate of 200,000,000 CM Subscription Shares by CMNEG and Magicgrand
"CM Subscription Agreement"	the conditional subscription agreement dated 18 December 2014 entered into between the Company, CMNEG and Magicgrand in respect of the CM Subscription
"CM Subscription Completion"	completion of the CM Subscription in accordance with the terms and conditions of the CM Subscription Agreement
"CM Subscription Shares"	an aggregate of 200,000,000 new Shares to be subscribed by CMNEG and Magicgrand pursuant to the CM Subscription Agreement
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board comprising all its independent non-executive Directors (namely Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing) established for the purpose of considering and advising the Independent Shareholders on the terms of the CM Subscription Agreement and the transactions contemplated thereunder, and to give its recommendation as to the voting in respect of the resolution(s) to be proposed at the SGM for approving the CM Subscription Agreement
"Independent Financial Adviser" or "Goldin"	Goldin Financial Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the CM Subscription Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders other than CMNEG and its associates, Magicgrand and Pairing Venture Limited
"Last Trading Day"	18 December 2014, being the date of the CM Subscription Agreement
"Latest Practicable Date"	8 January 2015, being the latest practicable date for ascertaining certain information referred to in this circular prior to printing of this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Magicgrand"	Magicgrand Group Limited, a company incorporated in the British Virgin Islands with limited liability which holds 37% interest in CMNEG as at the Latest Practicable Date
"PRC"	the People's Republic of China which, for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"SGM"	the special general meeting of the Company to be convened and held for the purpose of consideration, if thought fit, approving the CM Subscription Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate for the allotment and issue of the CM Subscription Shares
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"Snow Hill"	Snow Hill Developments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of China Merchants Group Limited
"Specific Mandate"	the specific mandate for the allotment and issue of the CM Subscription Shares, which is subject to the approval by the Independent Shareholders' voting by way of poll at the SGM
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$1.0 per CM Subscription Share and Zhongli Subscription Share, respectively
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Zhongli"	Zhongli New Energy (Hong Kong) Investment Limited, a company incorporated in Hong Kong with limited liability
"Zhongli Subscription"	the proposed subscription of 180,000,000 Zhongli Subscription Shares by Zhongli pursuant to the terms and conditions of the Zhongli Subscription Agreement
"Zhongli Subscription Agreement"	the conditional subscription agreement dated 18 December 2014 entered into between the Company and Zhongli in respect of the Zhongli Subscription
"Zhongli Subscription Completion"	completion of the Zhongli Subscription in accordance with the terms and conditions of the Zhongli Subscription Agreement
"Zhongli Subscription Shares"	an aggregate of 180,000,000 new Shares to be subscribed by Zhongli pursuant to the Zhongli Subscription Agreement
"%"	per cent

UNITED PHOTOVOLTAICS GROUP LIMITED
聯合光伏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

Executive Directors:
Mr. Li, Alan *(Chairman and Chief Executive Officer)*
Mr. Lu Zhenwei

Non-executive Directors:
Academician Yao Jiannian
Mr. Yang Baiqian
Ms. Qiu Ping, Maggie

Independent non-executive Directors:
Mr. Kwan Kai Cheong
Mr. Yen Yuen Ho, Tony
Mr. Shi Dinghuan
Mr. Ma Kwong Wing

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
Unit 1012, 10/F.,
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

12 January 2015

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the Company's announcement dated 18 December 2014 in which the Board announced that on 18 December 2014 (after trading hours), the Company entered into the CM Subscription Agreement with CMNEG and Magicgrand pursuant to which CMNEG and Magicgrand have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 200,000,000 CM Subscription Shares in cash at a Subscription Price of HK$1.0 per CM Subscription Share.

On the same date (after trading hours), the Company entered into the Zhongli Subscription Agreement with Zhongli pursuant to which Zhongli has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 180,000,000 Zhongli Subscription Shares in cash at a Subscription Price of HK$1.0 per Zhongli Subscription Share. As at the Latest Practicable Date, Zhongli was still in the process of fulfilling the conditions precedent to the Zhongli Subscription and therefore the Zhongli Subscription Completion has not yet taken place.

CMNEG is a substantial shareholder of the Company, and is therefore a connected person of the Company. Magicgrand is held as to approximately 38.83% by Mr. Li, Alan, the executive Director, and approximately 61.17% by Pairing Venture Limited. Pairing Venture Limited is wholly owned by Mr. Li, Alan. Therefore, Magicgrand is an associate of Mr. Li, Alan, hence, a connected person of the Company. Accordingly, the CM Subscription constitutes a connected transaction of the Company under the Listing Rules. The CM Subscription Agreement and the transactions contemplated thereunder are therefore subject to the approval of the Independent Shareholders at the SGM. CMNEG and its associates, who collectively control the voting rights to approximately 18.85% of the issued share capital of the Company before the CM Subscription Completion and Zhongli Subscription Completion and approximately 19.45% after the CM Subscription Completion and Zhongli Subscription Completion, are required to abstain from voting in relation to the CM Subscription Agreement at the SGM. Magicgrand holds approximately 0.95% of the issued share capital of the Company before the CM Subscription Completion and Zhongli Subscription Completion and will hold approximately 2.98% after the CM Subscription Completion and Zhongli Subscription Completion. Pairing Venture Limited holds approximately 0.42% of the issued share capital of the Company before the CM Subscription Completion and Zhongli Subscription Completion and will hold approximately 0.38% after the CM Subscription Completion and Zhongli Subscription Completion. Magicgrand and Pairing Venture Limited are required to abstain from voting in relation to the CM Subscription Agreement at the SGM.

The Independent Board Committee has been established to consider and advise the Independent Shareholders on the terms of the CM Subscription Agreement and the transactions contemplated thereunder.

Goldin has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the CM Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned.

The purpose of this circular is to provide, amongst other things, (i) further details of the CM Subscription Agreement and the transactions contemplated thereunder; (ii) the opinion of Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the CM Subscription Agreement and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the terms of the CM Subscription Agreement and the transactions contemplated thereunder; and (iv) the notice of the SGM together with the proxy form to the Independent Shareholders to consider and, if thought fit, to approve the CM Subscription Agreement and the grant of the Specific Mandate for the allotment and issue of the CM Subscription Shares.

THE CM SUBSCRIPTION AGREEMENT

Date: 18 December 2014

Parties: (1) the Company as the issuer;

(2) CMNEG as a subscriber for 100,000,000 new Shares; and

(3) Magicgrand as a subscriber for 100,000,000 new Shares.

As at the Latest Practicable Date, CMNEG holds 467,538,250 Shares, representing approximately 10.72% of issued share capital of the Company. CMNEG is an investment holding company which is engaged in the renewable energy business through its subsidiaries. Magicgrand is an investment holding company and holds 37% interests in CMNEG.

The CM Subscription

Pursuant to the CM Subscription Agreement, CMNEG and Magicgrand agreed to subscribe for an aggregate of 200,000,000 new Shares to be allotted and issued by the Company at the Subscription Price of HK$1.0 per CM Subscription Share with an aggregate cash consideration of approximately HK$200,000,000. The CM Subscription Shares represent (i) approximately 4.59% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.22% of the issued share capital of the Company as enlarged by the allotment and issue of the CM Subscription Shares and Zhongli Subscription Shares in aggregate, subject to the CM Subscription Completion and Zhongli Subscription Completion, and assuming there will be no other changes in the issued share capital of the Company between the Latest Practicable Date and the date of the CM Subscription Completion and Zhongli Subscription Completion. The aggregate nominal value of the CM Subscription Shares amounts to HK$20,000,000.

Each of CMNEG and Magicgrand shall pay to the Company the aggregate Subscription Price for the respective CM Subscription Shares subscribed by each of them in full at least three Business Days before the date of the CM Subscription Completion or such later day as the Company, CMNEG and Magicgrand may agree. CMNEG and Magicgrand shall pay their respective aggregate Subscription Price simultaneously.

Specific Mandate for the issue of the CM Subscription Shares

The CM Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the SGM. The CM Subscription Shares are not subject to any lock-up or other disposal restriction under the terms of the CM Subscription Agreement.

The general mandate of the Company will not be used for the issue of the CM Subscription Shares.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the CM Subscription Shares to be issued.

Conditions precedent

Completion of the CM Subscription is conditional upon:

(a) the passing by the requisite majority of the Independent Shareholders in the SGM of all resolutions required under relevant laws and regulations, including but not limited to the Listing Rules, of the transactions contemplated under the CM Subscription Agreement, including without limitation to the specific mandate for the allotment and issue of the CM Subscription Shares;

(b) the granting of the approval by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions to which neither the Company nor any of the subscribers objects) for listing of and permission to deal in the CM Subscription Shares to be issued by the Company pursuant to the CM Subscription Agreement; and

(c) CMNEG having obtained all necessary internal approvals from its controlling shareholder, Snow Hill, and the ultimate shareholder of Snow Hill, China Merchants Group Limited in respect of the transactions contemplated under the CM Subscription Agreement.

In the event that the conditions to the CM Subscription Agreement are not fulfilled on or before 31 March 2015, or such later date as may be agreed among the Company, CMNEG and Magicgrand, all rights, obligations and liabilities of the parties in respect of or under the CM Subscription Agreement shall cease and terminate, and no party shall have any claims against the other parties in respect of any matter arising out of the CM Subscription Agreement except for any antecedent breach of any obligations under the CM Subscription Agreement.

Completion

The CM Subscription Completion shall take place within 10 Business Days after the conditions of the CM Subscription have been fulfilled and before 31 March 2015, or such later day as the Company, CMNEG and Magicgrand may agree.

Ranking of the CM Subscription Shares

The CM Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment.

Subscription Price

The Subscription Price of HK$1.0 per CM Subscription Share represents:

(i) equivalent to the closing price of HK$1.00 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 12.61% to the average closing price of approximately HK$0.888 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a premium of approximately 13.51% to the average closing price of approximately HK$0.881 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 132.56% over the per Share net asset value attributable to the Shareholders of approximately HK$0.43 based on the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$1,854,913,000 as at 30 June 2014 and the 4,361,266,325 Shares as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations among the Company, CMNEG and Magicgrand with reference to, among others, the prevailing market price of the Shares, the financial performance of the Group and the current market conditions.

The aggregate net proceeds derived from the CM Subscription, after deduction of expenses, are estimated to be approximately HK$199,200,000. The net price per CM Subscription Share is approximately HK$0.996.

REASONS FOR THE CM SUBSCRIPTION AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the development, investment, operation and management of solar power plants. It is the Group's strategy to identify suitable investment opportunity to acquire the solar power plants with good prospects and potential for stable returns. In addition to the project pipelines on hand, on 16 December 2014, China Merchants Zhangzhou Development Zone Trenda Solar Tech Limited*(招商局漳州開發區創達太陽能科技有限公司)("**CM Zhangzhou Tranda**"), a subsidiary of the Company, and China Merchants Logistics Holdings Co., Ltd.*(招商局物流集團有限公司)("**CMLH**") entered into a solar power projects development agreement in relation to the proposed cooperation of the development of solar power projects in areas selected by CM Zhangzhou Tranda with the recommendation of CMLH based on the existing network of CMLH. On 17 December 2014, the Company entered into a strategic cooperation agreement with NARI Electricity Design Company Limited*(南瑞電力設計有限公司) in relation to the possible acquisition of the solar power projects with an aggregate installed capacity target of not less than 1.5GW in the coming three years. Therefore, a substantial amount of capital as well as ongoing funding is required to support the rapid growth of the Group's business as well as to fund future expansion. Moreover, with growing demand for solar energy and favorable government policies, an increasing number of competitors have been actively seeking and identifying potential solar power projects in the market. It is necessary for the Company to enhance its financial flexibility so as to strengthen its competitiveness to secure suitable solar power projects.

In addition to the CM Subscription, the Company has also considered the following fund raising alternatives:

(i) possible issue of convertible bonds in the principal amount of approximately HK$529,200,000 to China Merchants Wealth Asset Management Limited (please refer to the announcement of the Company dated 31 October 2014);

(ii) possible issue of convertible bonds in the principal amount of approximately HK$1.26 billion to Chinastone Capital Management Limited, which is an independent third party (please refer to the announcement of the Company dated 30 December 2014);

(iii) Zhongli Subscription;

(iv) possible issue of convertible bonds in the principal amount of approximately US$30 million to China Orient Asset Management (International) Holding Limited, which is an independent third party (please refer to the announcement of the Company dated 31 December 2014); and

(v) possible issue of convertible bonds in the principal amount of approximately US$15 million to Fosun Industrial Holdings Limited, which is an independent third party (please refer to the announcement of the Company dated 7 January 2015).

In addition to the fund raising alternatives set out above, the Group may also consider any financing methods such as debt financing or other equity financing to fund its future investment and/or business development as and when suitable investment opportunities arise.

Regarding the other fund raising alternatives such as rights issue and open offer, lengthy identifying and discussion with potential commercial underwriters may be required, which may result in the failure of financing the Group's rapid business development and expansion and/or investment opportunities in a timely manner.

As at 30 November 2014, the unaudited cash and bank balances of the Group amounted to approximately HK$641 million. Considering that maintaining a strong cash position is crucial for the Group to explore solar power business opportunities when such opportunities arise, and CMNEG is prepared to subscribe for the CM Subscription Shares at a premium to the recent average trading price of the Shares, the Company is of the view that the CM Subscription will provide the Group with additional cash to strengthen its financial position without a substantial dilution effect on the shareholding of the existing Shareholders.

The aggregate net proceeds derived from the CM Subscription, after deduction of expenses, are estimated to be approximately HK$199,200,000 which are intended to be used in connection with the solar power business of the Group as well as the Group's general operating and administrative expenses in the following manner: (i) approximately HK$139.4 million (equivalent to approximately 70% of the total estimated net proceeds) in connection with the solar power business of the Group, in particular, the payment of costs and expenses for the development, engineering, procurement, construction, operation and maintenance of the existing solar power plants owned by the Group in Qinghai and Inner Mongolia, PRC; and (ii) approximately HK$59.8 million (equivalent to approximately 30% of the total estimated net proceeds) in connection with the general operating and administrative expenses to be incurred in 2015.

The Directors consider that the CM Subscription Agreement was entered into on normal commercial terms following arm's length negotiations and that the terms therein are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned. Mr. Li, Alan is considered to have interest in the CM Subscription and therefore has abstained from voting on the relevant Board resolution.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table sets out the equity fund raising activities conducted by the Group during the twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of net proceeds	Actual application of the proceeds
24 January 2014	placing of new Shares under general mandate	HK$808,697,452	possible future acquisitions of solar power plants as and when opportunities arise	approximately HK$ 695.5 million (equivalent to approximately 86% of net proceeds) used to finance the solar power business in connection with solar power plants in Qinghai and Inner Mongolia approximately HK$113.2 million (equivalent to approximately 14% of net proceeds) used as general operating and administrative expenses incurred in 2014
18 December 2014	proposed subscription of Zhongli Subscription Shares	HK$179,800,000 (estimated)	general working capital	proposed subscription not yet completed

Save for disclosed above, the Company did not conduct any other fund raising activities in the past twelve-month period immediately before the Latest Practicable Date.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon issue of the CM Subscription Shares (assuming that there is no other change in the issued share capital of the Company from the Latest Practicable Date and up to the date of CM Subscription Completion) are set out below:

	As at the Latest Practicable Date		**Immediately after the issue of CM Subscription Shares**	
	No. of Shares	*%*	*No. of Shares*	*%*
CMNEG and parties acting in concert with it				
CMNEG *(Note 1)*	467,538,250	10.72%	567,538,250	11.97%
Snow Hill *(Note 1)*	103,111,436	2.36%	103,111,436	2.17%
Magicgrand *(Note 1)*	41,230,827	0.95%	141,230,827	2.98%
Pairing Venture Limited *(Note 1)*	18,173,487	0.42%	18,173,487	0.38%
Renewable Energy Trade Board Corporation *(Note 2)*	249,248,000	5.71%	249,248,000	5.24%
China Green Holdings Limited *(Note 2)*	2,205,621	0.05%	2,205,621	0.05%
Sino Arena Investments Limited	60,030,000	1.38%	60,030,000	1.27%
Sub-total:	941,537,621	21.59%	1,141,537,621	24.07%
Zhongli *(Note 3)*	119,922,000	2.75%	299,922,000	6.33%
Other Shareholders	3,299,806,704	75.66%	3,299,806,704	69.60%
Total:	4,361,266,325	100.00%	4,741,266,325	100.00%

Notes:

1. CMNEG is owned as to 53.56% by Snow Hill, as to 37% by Magicgrand and as to 9.44% by Pairing Venture Limited. Snow Hill is an indirect wholly-owned subsidiary of China Merchants Group Limited and Magicgrand and Pairing Venture Limited are ultimately owned by Mr. Li, Alan, an executive Director. As disclosed in the announcement of the Company dated 15 December 2014, the shareholders of CMNEG had entered into a sale and purchase agreement ("**SPA**"), pursuant to which, Snow Hill will purchase certain ordinary shares in CMNEG from each of Magicgrand and Pairing Venture Limited on the terms and subject to the conditions set out in the SPA. Snow Hill and CMNEG had also entered into a subscription agreement ("**CMNEG Subscription Agreement**"), pursuant to which Snow Hill will subscribe for certain new ordinary shares in CMNEG on the terms and subject to the conditions set out in the CMNEG Subscription Agreement (the "**CMNEG Subscription**"). As at the Latest Practicable Date, the parties to the SPA and the CMNEG Subscription Agreement were still in the process of fulfilling the conditions precedent to the SPA and the CMNEG Subscription Agreement and therefore neither the completion of the SPA nor the completion of the CMNEG Subscription has taken place.

2. China Green Holdings Limited is an indirect wholly-owned subsidiary of Renewable Energy Trade Board Corporation, which is owned as to 16.70% by CMNEG and as to 83.30% by other third parties.

3. Assuming that the Zhongli Subscription Shares are allotted and issued on or before the date of CM Subscription Completion.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, CMNEG is a substantial shareholder of the Company, and is therefore a connected person of the Company. Magicgrand is held as to approximately 38.83% by Mr. Li, Alan, the executive Director, and approximately 61.17% by Pairing Venture Limited. Pairing Venture Limited is wholly held by Mr. Li, Alan. Therefore, Magicgrand is an associate of Mr. Li, Alan, hence, a connected person of the Company. Accordingly, the CM Subscription constitutes a connected transaction of the Company under the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements at the SGM under the Listing Rules.

SGM

A notice convening the SGM to be held at 3:00 p.m. on Wednesday, 28 January 2015 at Unit 1407, 14/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong is set out on pages 54 to 56 of this circular. An ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve the CM Subscription Agreement and the transaction contemplated thereunder. CMNEG and its associates, Magicgrand and Pairing Venture Limited will abstain from voting at the SGM. Mr. Li, Alan is considered to have interest in the CM Subscription and therefore has abstained from voting on the relevant Board resolution.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at the SGM or any adjourned meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Board (including the members of the Independent Board Committee, who have taken into account the advice of the Independent Financial Adviser) considers that the terms of the CM Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to approve the CM Subscription Agreement and the transactions contemplated thereunder at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information as set out in the appendix to this circular and the notice of the SGM as set out on pages 54 to 56, which form part of this circular.

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

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

Hong Kong, 12 January 2015

* *For identification purpose only*

UNITED PHOTOVOLTAICS GROUP LIMITED
聯合光伏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

12 January 2015

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

We refer to the circular dated 12 January 2015 issued by the Company to its shareholders (the "Circular"), of which this letter forms part. Unless otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, entering into the CM Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. None of the members of the Independent Board Committee have any direct or indirect interest in the CM Subscription Agreement.

In addition, Goldin Financial Limited has been appointed as independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the CM Subscription Agreement and the transactions contemplated thereunder. Details of its advice, together with the principal factors taken into consideration in arriving at such, are set out in its letter set out on pages 16 to 32 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 13 of the Circular and the general information set out in the Circular.

Having considered the terms of the CM Subscription Agreement and the advice of Goldin Financial Limited, we are of the opinion that the CM Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, and the CM Subscription is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the CM Subscription Agreement and the transactions contemplated thereunder to be proposed in the SGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Kwan Kai Cheong **Yen Yuen Ho, Tony** **Shi Dinghuan** **Ma Kwong Wing**

Independent non-executive Directors

The following is the full text of the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the CM Subscription Agreement, prepared for the purpose of incorporation in this circular.

高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited
23rd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

12 January 2015

To: the Independent Board Committee and the Independent Shareholders of United Photovoltaics Group Limited

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the CM Subscription Agreement, details of which are set out in the letter from the board (the "Letter from the Board") contained in the circular dated 12 January 2015 issued by the Company (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 18 December 2014 (after trading hours), the Company entered into the CM Subscription Agreement with CMNEG and Magicgrand pursuant to which CMNEG and Magicgrand have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 200,000,000 CM Subscription Shares in cash at a Subscription Price of HK$1.0 per CM Subscription Share.

The CM Subscription Shares represent (i) approximately 4.59% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.22% of the issued share capital of the Company as enlarged by the allotment and issue of the CM Subscription Shares. Completion of the CM Subscription Agreement is conditional upon, among others, approval by the Independent Shareholders of the CM Subscription and the grant of the Specific Mandate. The allotment and issue of the CM Subscription Shares will also be subject to, among others, the Stock Exchange granting the listing of, and permission to deal in, the CM Subscription Shares.

As at the Latest Practicable Date, CMNEG is a substantial shareholder of the Company, and is therefore a connected person of the Company. Magicgrand is held as to approximately 38.83% by Mr. Li, Alan, the executive Director and approximately 61.17% by Pairing Venture Limited respectively. Pairing Venture Limited is wholly owned by Mr. Li, Alan. Therefore, Magicgrand is an associate of Mr. Li, Alan and a connected person of the Company. Accordingly, the CM Subscription constitutes a connected transaction of the Company under the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements at the SGM under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing, has been established to make recommendations to the Independent Shareholders as to whether the terms of the CM Subscription Agreement and the transactions contemplated therein, are fair and reasonable and whether the CM Subscription Agreement is in the interests of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the CM Subscription Agreement after taking into account the recommendations of Goldin Financial.

We, Goldin Financial, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the CM Subscription Agreement and to make a recommendation as to, among others, whether the terms of the CM Subscription Agreement are fair and reasonable and as to voting in respect of the relevant resolutions at the SGM.

BASIS OF OUR ADVICE

In formulating our opinions and recommendations, we have reviewed, *inter alia*, the Announcement, the Circular, the CM Subscription Agreement, the audited annual report of the Company for the year ended 31 December 2013 (the "Annual Report 2013"), and the unaudited interim report of the Company for the six months ended 30 June 2014 (the "Interim Report 2014"). We have also reviewed certain information provided by the management of the Company relating to the operations, financial condition and prospects of the Group. We have also (i) considered such other information, analyses and market data which we deemed relevant; and (ii) conducted verbal discussions with the management of the Company regarding the financials, businesses and future outlook of the Group. We have assumed that such information and statements, and any representation made to us, which we have relied upon in formulating our opinion, are true, accurate and complete in all material respects as of the date hereof and the Shareholders will be notified of any material changes as soon as possible.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We consider that we have been provided with, and that we have reviewed, all currently available information and documents under present circumstances to enable us to reach an informed view regarding the terms of, and the reasons for entering into, the CM Subscription Agreement and to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have no reason to suspect that any material facts or information have/has been withheld by the Directors or management of the Company, are/is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses, affairs or future prospects of the Company. Our opinion was necessarily based on financial, economic, market and other conditions in effect, and the information made available to us at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendations to the Independent Board Committee and the Independent Shareholders in respect of the CM Subscription Agreement, we have taken into account the following principal factors and reasons:

1. Business and financial information of the Group

The Company is an investment holding company and its subsidiaries are principally engaged in businesses in development, investment, operation and management of solar power plants.

Set out below is the audited financial information of the Group for the two years ended 31 December 2012 and 2013 as extracted from the Annual Report 2013, and the unaudited financial information of the Group for the six months ended 30 June 2013 and 2014 as extracted from the Interim Report 2014:

Table 1: Financial highlights of the Group

	For the year ended 31 December		**For the six months ended 30 June**	
	2012	**2013**	**2013**	**2014**
	HK$'000 (audited)		*HK$'000* (unaudited)	
Revenue	223,269	337,578	156,746	238,014
– Solar power plants	–	39,529	177	160,909
– Solar cells	213,269	298,049	156,569	77,105
– Corporate Function	10,000	–	–	–
Gross profit/(loss)	(66,537)	(74,063)	(17,409)	48,139
Segment (loss)/profit	(736,855)	(2,352,071)	(1,025,604)	420,773
– Solar power plants	–	(2,228,904)	(1,012,497)	674,081
– Solar cells	(736,855)	(123,167)	(13,107)	(253,308)
Profit/(Loss) for the year/period	(814,801)	(2,305,460)	(912,788)	395,411
– Owners of the Company	(814,801)	(2,304,986)	(912,748)	391,976
– Non-controlling interest	–	(474)	(40)	3,435

	As at 31 December		**As at 30 June**
	2012	**2013**	**2014**
	HK$'000 (audited)		*HK$'000* (unaudited)
Non-current assets	1,267,616	5,251,837	8,768,054
Current assets	337,811	739,026	1,126,967
Non-current liabilities	(794,004)	(3,801,056)	(3,066,301)
Current liabilities	(587,451)	(1,739,886)	(4,926,624)
Net current liabilities	(249,640)	(1,000,860)	(3,799,657)

For the year ended 31 December 2013, the total revenue of the Group increased from approximately HK$223.27 million for the year ended 31 December 2012 to approximately HK$337.58 million, representing an increase of approximately 51.19%. According to the Annual Report 2013, the increase in revenue was mainly due to (i) the acquisition of China Solar Power Group Limited ("CSPG", formerly known as China Merchants New Energy Holdings Limited) which provided the Group with a new source of income derived from the sales of electricity generated by the solar power plants; (ii) increase in the overseas sales of polysilicon solar cells; and (iii) the appreciation of RMB for the year ended 31 December 2013.

As mentioned on the above, following the completion of the acquisition of CSPG in June 2013, the Group had two operating segments for the year ended 31 December 2013, namely (i) development, investment, operation and management of solar power plants segment; and (ii) manufacturing and sales of solar cells segment. Revenue derived from solar cells segment increased from approximately HK$213.27 million for the year ended 31 December 2012 to approximately HK$298.05 million for the year ended 31 December 2013, representing an increase of approximately 39.75%. As shown in the Annual Report 2013, the increase was mainly due to (i) the increase in the overseas sales and the selling prices of the products sold overseas which were generally higher than those sold domestically; (ii) the introduction of new customers, sales to such new customers accounted for 37% of the segment revenue for the year ended 31 December 2013; and (iii) the appreciation of RMB for the year ended 31 December 2013. For the revenue from the solar power plants segment for the year ended 31 December 2013, it mainly represented the revenue generated from the four solar power plants located in Shenzhen, Quanzhou, Jiayuguan, and Gonghe respectively.

In addition, the loss attributable to the owners of the Company increased from approximately HK$814.80 million for the year ended 31 December 2012 to approximately HK$2,304.46 million for the year ended 31 December 2013. As shown in the Annual Report 2013, the increase in loss was mainly due to (i) immediate impairment of goodwill of approximately HK$1,205.02 million arising from the acquisition of CSPG; (ii) fair value loss on put option of approximately HK$163.78 million arising from acquisition of 50% equity interest in Fengxian Huize Photovoltaic Energy Limited; (iii) the impairment of concession rights of approximately HK$819.15 million; and (iv) the finance costs, net of approximately HK$173.51 million in relation to convertible notes and bank borrowings.

Total asset less current liabilities increased from approximately HK$1,017.98 million as at 31 December 2012 to approximately HK$4,250.98 million as at 31 December 2013.

For the six months ended 30 June 2014, the total revenue of the Group increased from approximately HK$156.75 million for the six months ended 30 June 2013 to approximately HK$238.01 million, representing an increase of approximately 51.84%. As shown in the Interim Report 2014, the increase in revenue was mainly attributable to the sales of electricity generated by the solar power plants.

Moreover, for the revenue from the solar power plants segment, it increased from approximately HK$0.18 million as at 30 June 2013 to approximately HK$160.91 million as at 30 June 2014. As advised by the management of the Company, the increase was mainly attributable to the generation of electricity, as a result of the acquisitions of solar power plants for the six months ended 30 June 2014. Besides, for the revenue from solar cells segment, it decreased from approximately HK$156.57 million as at 30 June 2013 to approximately HK$77.11 million as at 30 June 2014, representing a decrease of approximately 51%. As advised by the management of the Company, the decrease was mainly attributed to an impairment charge on property, plant and equipment of approximately HK$214.1 million due to diminishing demand as a result of keen competition.

As regards the profit/loss attributable to the owners of the Company, there was a turnaround from a loss of approximately HK$912.75 million for the six months ended 30 June 2013 to a profit of approximately HK$391.98 million for the six months ended 30 June 2014. As shown in the Interim Report 2014, the improvement in results was mainly attributable to (i) the increase in the sales of electricity of approximately HK$160.91 million; (ii) the gains from revaluation of certain financial instruments which are non-cash in nature of approximately HK$741 million; (iii) the one-off impairment charge on goodwill of approximately HK$1,205.02 million and the fair value gain on previously held interest in CSPG of approximately HK$197.90 million recognised in the Interim Report 2014 were no longer applicable for the six months ended 30 June 2014; while offsetting the impact of (iv) the impairment charge on property, plant and equipment recognised for the solar cells segment of approximately HK$214.12 million as a result of the deterioration in operating results of the solar cells.

Total assets less current liabilities increased from approximately HK$4,250.98 million as at 31 December 2013 to approximately HK$4,968.40 million as at 30 June 2014, representing an increase of approximately 16.88%.

On 28 October 2014, the Group has completed the disposal (the "Disposal") of the 70% equity interest of Fortune Arena Limited (i.e. the solar cells business). As advised by the management of the Company, the Group is now focusing on its solar power plants business and has only one operating segment subsequent to the Disposal.

2. Reasons for, and benefits of, entering into the CM Subscription Agreement

The Company is an investment holding company and its subsidiaries are principally engaged in businesses in in development, investment, operation and management of solar power plants.

As advised by the management of the Company, one of the main reasons for, and benefits of, entering into the CM Subscription Agreement is to maintain and uphold the strategy of the Company by providing it with additional support from the substantial Shareholder, i.e. CMNEG. According to the press release of the Company as on the Company's website dated 18 December 2014 (source: http://www.unitedpvgroup.com/en/news-events/press-releases/detail/article/china-merchants-new-energy-group-increases-shareholding-in-united-pv-to-2199), the increase in shareholding as a result of the CM Subscription will let the Company obtain more capital to lower its gearing ratio and expand the solar power plant business. Moreover, the entering into the CM Subscription Agreement would facilitate the expansion of the new energy business of the Company by allowing it to gain access into CMG's extensive asset management experience, management systems and its financial resources from various parties including China Merchants Capital and China Merchants Bank.

According to the Interim Report 2014, the current liabilities of the Group as at 30 June 2014 was approximately HK$4,926.62 million, which mainly comprised trade and bills payable, other payables and accruals of approximately HK$3,697.32 million, short-term bank borrowings of approximately HK$906.46 million and loans from third parties of approximately HK$151.81 million. However, the current assets of the Group as at 30 June 2014 amounted to only approximately HK$1,126.97 million, which comprised trade and other receivables, deposits and prepayments of approximately HK$679.58 million and the cash and cash equivalents and pledged bank deposits of approximately HK$352.74 million. It is noted that the current assets fall short of the current liabilities by approximately HK$3,799.65 million.

Subsequent to the publication of the Interim Report 2014, the Group has conducted a series of acquisition for the expansion of its scale of power business in the solar energy sector. On 4 September 2014, the Company announced to acquire a minority interest in a solar power plant with an aggregate installed capacity of 40MW at a cash consideration of approximately RMB74.94 million. According to the announcement of the Company dated 31 October 2014, the Company proposed to, subject to the entering into of a definitive agreement, acquire a majority stake in a target company which holds four solar power plants with an approximate aggregate installed capacity of 80 MW and the consideration will be settled in cash. On the same date, it is also stated in the announcement that after the entering into of the aforesaid definitive agreement, the Company intends to issue to a connected person the convertible bonds of the Company in the principal amount of approximately HK$529.20 million, the proceeds from which will be used to pay for the

acquisition for such majority stake and other capital expenses and operational cost of the relevant solar power plants. However, as at the Latest Practicable Date, no formal agreement has been entered into between parties in respect of the issue of such convertible bonds. Considering the latest business development of the Company and the liquidity position of the Group as demonstrated above, additional funding is required to facilitate the expansion plan of the Company as well as to maintain the financial flexibility of the Group. Despite completion of the disposal of the 70% of the entire issued share capital of Fortune Arena Limited has taken place on 28 October 2014, generating cash proceeds of approximately HK$215.60 million and deriving a gain of approximately HK$25.30 million from the Disposal, the Group remains in net current liabilities position after taking into account the financial effect upon completion of the Disposal.

On the other hand, as advised by the management of the Company, the Disposal represents that the Group is now focusing on the solar power plants business. As advised by the management of the Company, it is the Group's strategy to identify suitable investment opportunity to acquire the solar power plants with good prospects and potential for stable returns. On 16 December 2014, China Merchants Zhangzhou Development Zone Trenda Solar Tech Limited*(招商局漳州開發區創達太陽能科技有限公司)("CM Zhangzhou Tranda"), a subsidiary of the Company, and China Merchants Logistics Holdings Co., Ltd.*(招商局物流集團有限公司)("CMLH") entered into a solar power projects development agreement in relation to the proposed cooperation of the development of solar power projects in areas selected by CM Zhangzhou Tranda with the recommendation of CMLH based on the existing network of CMLH. On 17 December 2014, the Company entered into a strategic cooperation agreement with NARI Electricity Design Company Limited*(南瑞電力設計有限公司) in relation to the possible acquisition of the solar power projects with an aggregate installed capacity target of not less than 1.5GW in the coming three years.

Pursuant to the CM Subscription Agreement, an aggregate of 200,000,000 CM Subscription Shares at the Subscription Price of HK$1.00 per CM Subscription Share will be issued to CMNEG and Magicgrand to raise funds of approximately HK$200.00 million for general working capital of the Group.

The aggregate net proceeds derived from the CM Subscription, after deduction of expenses, are estimated to be approximately HK$199,200,000 which are intended to be used in connection with the solar power business of the Group as well as the Group's general operating and administrative expenses in the following manner: (i) approximately HK$139.4 million (equivalent to approximately 70% of the total estimated net proceeds) in connection with the solar power business of the Group, in particular, the payment of costs and expenses for the development, engineering, procurement, construction, operation and maintenance of the existing solar power plants owned by the Group in Qinghai and Inner Mongolia, PRC; and (ii) approximately HK$59.8 million (equivalent to approximately 30% of the total estimated net proceeds) in connection with the general operating and administrative expenses to be incurred in 2015.

Upon enquiry with the management of the Company, we were given to understand that the Company has considered alternatives for the Group to raise funds other than through the issue of the CM Subscription Shares, including but not limited to, debt financing and equity financing. Regarding debt financing, the Directors are of the view that debt financing will inevitably incur additional finance costs to the Group, which may have adverse impacts on the financial performance of the Group. In respect of pre-emptive issues (such as rights issue and open offer), usually incur higher costs, which include underwriting commissions, documentation preparation costs and professional fees. With regard to other alternative fund raising options or offers available to the Company, having considered (i) debt financing will increase finance costs of the Group; and (ii) pre-emptive issues usually incur higher costs, we are of the view that the issue of CM Subscription Shares is an appropriate means to raise funds for the Group.

Despite the slight improvement in the liquidity position of the Group upon (i) completion of the Disposal; and (ii) application of the net proceeds thereof to the to the capital expenditure for the Group's solar power plants operation and for the general working capital purpose, after taking into account (i) the strategy of business development with support from the substantial Shareholder of the Company; (ii) the net current liabilities position of the Group as at 30 June 2014; (iii) additional funding is required to facilitate the expansion plan of the Company as well as to maintain the financial flexibility of the Group; (iv) that entering into the CM Subscription Agreement broadens the capital base of the Company and improves the financial position of the Group and is an appropriate means to raise funds for the Group; and (v) the terms of the CM Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned as discussed under the section headed "3. Principal terms of the CM Subscription Agreement" below, we concur with the Directors' view that the entering into of the CM Subscription Agreement is fair and reasonable and is in the interest of the Company and the Independent Shareholders as a whole.

3. Principal terms of the CM Subscription Agreement

Pursuant to the CM Subscription Agreement, CMNEG and Magicgrand agreed to subscribe for an aggregate of 200,000,000 new Shares to be allotted and issued by the Company at the Subscription Price of HK$1.0 per CM Subscription Share with an aggregate cash consideration of approximately HK$200,000,000. The CM Subscription Shares represent (i) approximately 4.59% of the existing issued share capital of the Company; and (ii) approximately 4.22% of the issued share capital of the Company as enlarged by the allotment and issue of the CM Subscription Shares.

Subscription Price

The Subscription Price was determined after arm's length negotiations among/between the Company, CMNEG and Magicgrand with reference to, among others, the prevailing market price of the Shares, the financial performance of the Group and the current market conditions.

The Subscription Price of HK$1.0 per CM Subscription Share represents:

(i) a premium of approximately 12.36% to the closing price of HK$0.890 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 12.61% to the average closing price of approximately HK$0.888 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

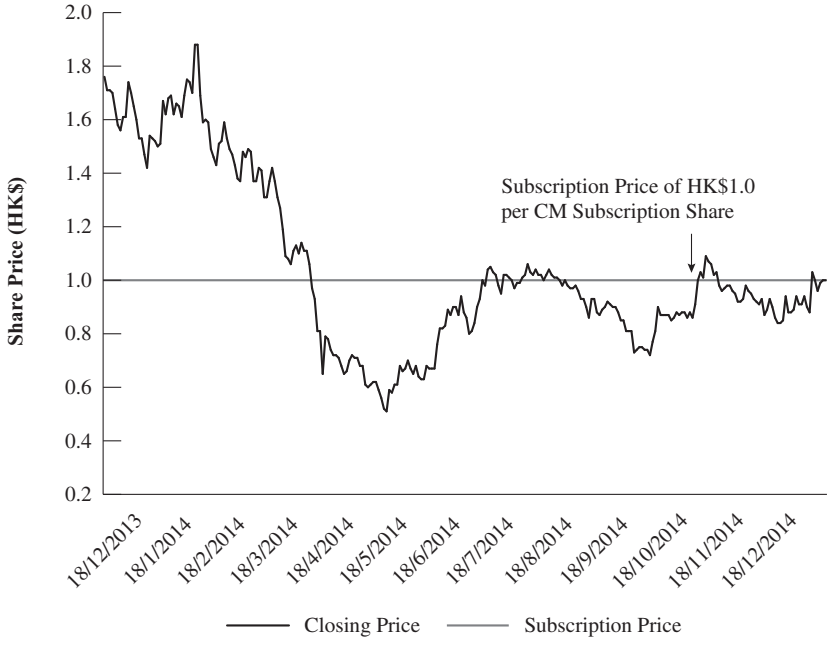
(iii) a premium of approximately 13.51% to the average closing price of approximately HK$0.881 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 132.56% over the per Share net asset value attributable to the Shareholders of approximately HK$0.43 based on the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$1,854,913,000 as at 30 June 2014 and the 4,361,266,325 Shares as at the Latest Practicable Date.

Share price performance

Chart 1 below shows the daily closing price of the Shares versus the Subscription Price for the period commencing from 18 December 2013 (being the 12-month period prior to the Announcement as it is a commonly used tenure for analysis purpose) up to the Latest Practicable Date (the "**Review Period**"):

Chart 1: Share price performance versus the Subscription Price during the Review Period



Source: The website of the Stock Exchange (www.hkex.com.hk)

Note: Trading in the Shares was suspended on 20 December 2013 and 23 January 2014.

During the Review Period, the Share price was on a general downward trend. The highest and the lowest closing price of the Shares during the Review Period were HK$1.88 and HK$0.51 respectively as quoted on the Stock Exchange. The average closing price of the Shares during the Review Period was approximately HK$1.014. The Subscription Price represents (i) a discount of approximately 46.81% to the highest closing price of the Share; (ii) a discount of approximately 1.41% to the average closing price of the Share; and (iii) a premium of approximately 96.08% over the lowest closing price of the Share during the Review Period.

Historical trading volume of the Shares

Table 2 set out below shows the daily trading volume of the Shares and the monthly statistics on the trading volume of the Shares respectively during the Review Period:

Table 2: Monthly statistics on the trading volume of the Shares

Month	Total trading volume *(No. of Shares)*	No. of trading days	Average daily trading volume *(No. of Shares)*	No. of outstanding Shares *(No. of Shares)*	Percentage of average daily trading volume to no. of outstanding Shares *(Approximate %)*
2013					
December	747,051,167	19	39,318,482	4,361,266,325	0.90%
2014					
January	1,369,739,660	20	68,486,983	4,361,266,325	1.57%
February	855,464,495	19	45,024,447	4,361,266,325	1.03%
March	983,130,659	21	46,815,746	4,361,266,325	1.07%
April	1,395,726,505	20	69,786,325	4,361,266,325	1.60%
May	967,101,424	20	48,355,071	4,361,266,325	1.11%
June	1,375,530,966	20	68,776,548	4,361,266,325	1.58%
July	1,007,725,078	22	45,805,685	4,361,266,325	1.05%
August	661,224,206	21	31,486,867	4,361,266,325	0.72%
September	758,056,811	21	36,097,943	4,361,266,325	0.83%
October	1,456,570,763	21	69,360,513	4,361,266,325	1.59%
November	606,694,502	20	30,334,725	4,361,266,325	0.70%
December	664,182,192	21	31,627,723	4,361,266,325	0.73%
2015					
January (Up to the Latest Practicable Date)	192,116,000	5	38,423,200	4,361,266,325	0.88%

Source: The website of the Stock Exchange (www.hkex.com.hk)

Note: Trading in the Shares was suspended on 20 December 2013 and 23 January 2014.

As illustrated in the table above, during the Review Period, we noted that the average daily trading volume of the Shares as a percentage of the total number of outstanding Shares ranged from 0.70% to approximately 1.60%. Based on the above, we considered that the trading volume of the Shares was thin during the Review Period.

Comparison with other placing and share subscription exercises

In order to assess the fairness and reasonableness of the Subscription Price, we have reviewed the relevant new share placing and share subscription exercises under specific mandates announced by companies listed on the Stock Exchange in the past three months immediately preceding the Last Trading Day, which we believe represents a reasonable and meaningful period to reflect the recent market condition and sentiment for conducting such fund raising activity (the "Placing Comparables"). We have, to our best effort, identified and made references to, so far as we are aware, 24 Placing Comparables which are exhaustive and the subscribers/placees of which consist of connected person(s) (as defined in the Listing Rules) and/or independent third parties, both of which we consider appropriate in our analysis since their respective issue price/subscription price is determined after arm's length negotiation between the relevant parties. Independent Shareholders should note that the Placing Comparables are not identical to the Company in terms of principal business, operations and financial position. Nevertheless, we consider that the Placing Comparables could provide a general reference for the recent common market practice of companies listed on the Stock Exchange in placing and share subscription exercises under specific mandate and similar market conditions. Details of our analyses are set out in the following table:

Table 3: Analysis on placing/subscription shares of the Placing Comparables

Date of announcement	Company name	stock code	Premium over/(discount) to the closing price on the last trading day *Approximate %*	No. of shares issued over the issued share capital as at the date of announcement *Approximate %*	Whether subscriber/ placee is a connected person (Y/N)
17/12/2014	Sau San Tong Holdings Limited [1]	8200	(11.73)	25.42	N
8/12/2014	China Resources Land Limited [2]	1109	(7)	12	Y
27/11/2014	Hsin Chong Construction Group Limited	404	6.38	51.5	N
21/11/2014	National Agricultural Holdings Limited [1]	1236	13.2	13.2	Y
20/11/2014	Louis XIII Holdings Limited [3, 4]	577	N/A	N/A	N
17/11/2014	AG Tech Holdings Limited [1]	8279	29.82	3.8	N
14/11/2014	Rui Kang Pharmaceutical Group Investments Limited [1]	8037	(9.22)	25.64	N

Date of announcement	Company name	stock code	Premium over/(discount) to the closing price on the last trading day *Approximate %*	No. of shares issued over the issued share capital as at the date of announcement *Approximate %*	Whether subscriber/ placee is a connected person (Y/N)
10/11/2014	China Bio-Med Regeneration Technology Limited	8158	(9.09)	50.37	Y
7/11/2014	Crown International Corporation Limited	727	(24.73)	20.37	N
4/11/2014	Rising Development Holdings Limited	1004	(83.26)	6	N
3/11/2014	Cofco Land Holdings Limited [3]	207	N/A	65.66	N
3/11/2014	Longfor Properties Company Limited [1]	960	(6.26)	6.7	Y
2/11/2014	FDG Electric Vehicles Limited [3, 4]	729	N/A	N/A	N
31/10/2014	Town Health International Medical Group Limited	3886	(18.33)	9.92	Y
31/10/2014	Yashili International Holdings Limited	1230	16.72	33.33	N
28/10/2014	Oriental Unicorn Agricultural Group [1]	8120	80.41	6.38	N
28/10/2014	China State Construction International Holdings Limited	3311	2.85	3.01	Y
24/10/2014	Sage International Group Limited [1]	8082	(59.18)	39.41	N
24/10/2014	King Stone Energy Group Limited [1]	663	2.46	11	Y
23/10/2014	TSC Group Holdings Limited	206	27.8	1.21	Y
21/10/2014	Enterprise Development Holdings Limited [1]	1808	(10.71)	19.88	N
10/10/2014	Changfeng Axle (China) Company Limited	1039	(29.03)	76.33	Y
25/9/2014	Bestway International Holdings Limited	718	(27.27)	93.22	Y
15/9/2014	Perception Digital Holdings Limited [1]	1822	50	32.45	N
		Mean	(3.15)		
		Maximum premium	80.41		
		Maximum discount	(83.26)		
The Company			12.36	4.59	Y

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Figures from the date of agreement used rather than last trading day.

2. Figures from the average closing price of the shares for the 10 trading days immediately preceding the date of announcement used rather than the last trading day.

3. Figures not available as subscription/placing price has yet to be fixed.

4. Figures not available as subscription/placing share has yet to be fixed.

As shown in the table above, the issue price per placing/subscription share issued under the respective Placing Comparables to the respective share closing price on the last trading day ranges from a discount of approximately 83.26% to a premium of approximately 80.41%, with a mean of approximately 3.15% discount. It is noted that the premium of approximately 12.36% represented by the Subscription Price over the closing price of the Share on the Last Trading Day falls within the range and is above the mean of that of the Placing Comparables.

Taking into account that (i) the Share price was on a downward trend during the Review Period and the Subscription Price represents a premium of approximately 12.36% over the closing price of the Shares on the Last Trading Day; (ii) the trading volume of the Shares was thin; (iii) the premium over the closing price of the Shares on the Last Trading Day as represented by the Subscription Price falls within the range and is above the mean of that of the Placing Comparables as discussed above; (iv) the reasons for, and the benefits of, entering into the CM Subscription Agreement as described under the paragraphs headed "2. Reasons for, and benefits of, entering into the CM Subscription Agreement" above; and (v) the net current liabilities position of the Group as discussed under the section headed "1. Business and financial information of the Group" above, we are of the view that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

4. Dilution to the shareholding of the existing Shareholders

Your attention is drawn to the section headed "Shareholding structure of the Company" set out in the letter from the Board. We noted that the shareholding of the existing public Shareholders would reduce from approximately 75.66% as at the Latest Practicable Date to approximately 69.60% immediately after the issue of the Zhongli Subscription Shares and CM Subscription Shares (assuming that there is no other change in the issued share capital of the Company from the Latest Practicable Date and up to date of Zhongli Subscription Completion and the date of CM Subscription Completion).

Taking into account (i) the reasons for, and the benefits of, entering into the CM Subscription Agreement as described under the paragraphs headed "2. Reasons for, and benefits of, entering into the CM Subscription Agreement" above; (ii) the terms of the CM Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the positive impact on the Group's liquidity, gearing position and net asset value as discussed below, we consider that the possible dilution effect on the shareholding interests of the existing public Shareholders is justifiable.

5. Financial impacts of the CM Subscription Agreement

(i) Net assets value

According to the Interim Report 2014, the net assets of the Group were approximately HK$1,902.10 million. Upon CM Subscription Completion, the net assets of the Group will increase by the consideration for the CM Subscription of approximately HK$200.00 million less related expenses. As such, the CM Subscription is expected to have a positive impact on the financial position of the Group.

(ii) Liquidity

It is expected that the liquidity position of the Group will increase by approximately HK$200.00 million less related expenses upon CM Subscription Completion. As such, the CM Subscription is expected to have a positive impact on the current ratio of the Group.

(iii) Cash flow

According to the Interim Report 2014, the cash and cash equivalents amounted to approximately HK$203.66 million. Upon CM Subscription Completion, the cash level of the Group will increase by the consideration for the CM Subscription of approximately HK$200.00 million less related expenses. As such, the CM Subscription is expected to have a positive impact on the cash flow of the Group.

(iv) Gearing ratio

Upon CM Subscription Completion, the total borrowings of the Group will remained unchanged and the total equity would be enlarged by the allotment and issue of the CM Subscription Shares. Accordingly, it is expected that the gearing position of the Group would improve.

RECOMMENDATIONS

Based on the abovementioned principal factors and reasons for entering into the CM Subscription Agreement, in particular that:

- the strategy of business development with support from the substantial Shareholder of the Company;
- the issue of the CM Subscription Shares will broaden the capital base of the Company and improve the financial position of the Group;
- the CM Subscription Agreement is an appropriate means to raise funds for the Group;
- the Share price was on a general downward trend and the Subscription Price represents a premium of approximately 12.36% over the closing price of the Shares on the Last Trading Day;
- the premium over the closing price of the Shares on the Last Trading Day as represented by the Subscription Price falls within the range and is above the mean of that of the Placing Comparables; and
- the positive impacts on the Group's liquidity, gearing position and net asset value,

we are of the view that the terms of the CM Subscription Agreement are normal commercial terms and the entering into of the CM Subscription Agreement is fair and reasonable so far as the Independent Shareholders are concerned and is in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM to approve the CM Subscription Agreement.

Yours faithfully,
For and on behalf of
Goldin Financial Limited
Billy Tang
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date:

Authorised:		*HK$*
10,000,000,000	Shares	1,000,000,000
Issued and fully paid:		
4,361,266,325	Shares	436,126,633

All the issued shares in the capital of the Company rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The CM Subscription Shares to be issued upon completion shall rank *pari passu* in all respects with the Shares then in issue. The conversion shares to be issued upon conversion of the convertible bonds of the Company shall rank *pari passu* in all respects with the Shares then in issue.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed in this circular and apart from the share options granted and to be granted under the share option scheme of the Company adopted on 19 June 2012 and the outstanding convertible notes and convertible bonds issued by the Company, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, were as follows:

Long positions

(a) Ordinary shares of HK$0.10 each in the Company

	Number of issued Shares/ underlying Shares of the Company				
Name of Director	**Personal interests**	*Notes*	**Corporate interests**	*Notes*	**Percentage of the issued share capital of the Company**
Mr. Li, Alan	6,003,000	*1*	726,942,564	*3, 4 & 5*	16.81%
Ms. Qiu Ping, Maggie	2,401,200	*2*			0.06%

(b) Convertible debentures of the Company

	Convertible debentures of the company Conversion rights attached to convertible debentures (shares)				
Name of Director	**Personal interests**	*Notes*	**Corporate interests**	*Notes*	**Percentage of the issued share capital of the Company**
Mr. Li, Alan	4,002,000	*1*	440,036,000	*6*	10.18%
Ms. Qiu Ping, Maggie	1,600,800	*2*			0.04%

Notes:

1. Mr. Li, Alan by undertaking to work for China Solar Power Group Limited ("CSPG"), a wholly-owned subsidiary of the Company, for a period until 30 August 2015, is entitled to receive from a trustee company, 6,003,000 Shares and convertible bonds in the principal amount of HK$4,002,000 convertible into 4,002,000 Shares.

2. Ms. Qiu Ping, Maggie by undertaking to work for CSPG, for a period until 30 August 2015, is entitled to receive from a trustee company, 2,401,200 Shares and convertible bonds in the principal amount of HK$1,600,800 convertible into 1,600,800 Shares.

3. 467,538,250 Shares are beneficially owned and 100,000,000 CM Subscription Shares are to be owned by CMNEG. The issued share capital of CMNEG is 37% owned by Magicgrand, 9.44% by Pairing Venture Limited and 53.56% beneficially owned by China Merchants Group Limited.

4. 41,230,827 Shares are beneficially owned and 100,000,000 CM Subscription Shares are to be owned by Magicgrand. The issued share capital of Magicgrand is 38.83% owned by Mr. Li, Alan and 61.17% by Pairing Venture Limited.

5. 18,173,487 Shares are beneficially owned by Pairing Venture Limited, which is incorporated in the British Virgin Islands. The issued share capital of Pairing Venture Limited is wholly owned by Mr. Li, Alan.

6. Convertible bonds of the Company in principal amount of HK$440,036,000 (with conversion price of HK$1.00 per Share) are beneficially owned by CMNEG. The issued share capital of CMNEG is 37% owned by Magicgrand, 9.44% by Pairing Venture Limited and 53.56% beneficially owned by China Merchants Group Limited.

(c) Directors' Interest in share options

Name of Director	Number of share options held	Date of grant	Exercisable period	Exercise price per Share *(HK$)*
Mr. Li, Alan	1,800,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	1,800,000		8 January 2017 to 7 January 2020	1.0
	2,400,000		8 January 2018 to 7 January 2020	1.0
Mr. Lu Zhenwei	600,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	600,000		8 January 2017 to 7 January 2020	1.0
	800,000		8 January 2018 to 7 January 2020	1.0
Academician Yao Jiannian	900,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	900,000		8 January 2017 to 7 January 2020	1.0
	1,200,000		8 January 2018 to 7 January 2020	1.0

Name of Director	Number of share options held	Date of grant	Exercisable period	Exercise price per Share *(HK$)*
Mr. Yang Baiqian	600,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	600,000		8 January 2017 to 7 January 2020	1.0
	800,000		8 January 2018 to 7 January 2020	1.0
Ms. Qiu Ping, Maggie	900,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	900,000		8 January 2017 to 7 January 2020	1.0
	1,200,000		8 January 2018 to 7 January 2020	1.0
Mr. Kwan Kai Cheong	600,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	600,000		8 January 2017 to 7 January 2020	1.0
	800,000		8 January 2018 to 7 January 2020	1.0
Mr. Yen Yuen Ho, Tony	600,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	600,000		8 January 2017 to 7 January 2020	1.0
	800,000		8 January 2018 to 7 January 2020	1.0
Mr. Shi Dinghuan	600,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	600,000		8 January 2017 to 7 January 2020	1.0
	800,000		8 January 2018 to 7 January 2020	1.0
Mr. Ma Kwong Wing	600,000	8 January 2015	8 January 2016 to 7 January 2020	1.0
	600,000		8 January 2017 to 7 January 2020	1.0
	800,000		8 January 2018 to 7 January 2020	1.0

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

Save as disclosed in this circular, no Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director, persons other than a Director who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

(i) Long Position in Ordinary Shares of HK$0.10 each of the Company

Name of shareholder	Capacity	Number of Shares held	Number of underlying Shares held	Percentage of the issued share capital of the Company
Renewable Energy Trade Board Corporation ("EBOD")	Beneficial owner Interest in controlled corporation	201,706,000 49,747,621	79,948,000 –	7.60%
CMNEG *(note 1)*	Beneficial owner	567,538,250	440,036,000	23.1%
Snow Hill *(note 2)*	Beneficial owner Interest in controlled Corporation	103,111,436 567,538,250	– 440,036,000	25.47%
China Merchants Group Limited	Interest in controlled corporation	670,649,686	440,036,000	25.47%
Magicgrand *(note 3)*	Beneficial owner Interest in controlled Corporation	141,230,827 567,538,250	– 440,036,000	26.34%
Pairing Venture Limited *(note 4)*	Beneficial owner Interest in controlled corporation	18,173,487 708,769,077	– 440,036,000	28.71%

Name of shareholder	Capacity	Number of Shares held	Number of underlying Shares held	Percentage of the issued share capital of the Company
Wang Baixing	Interest in controlled corporation	299,922,000	79,948,000	8.71%
Zhongli New Energy (Hong Kong) Investment Limited *(note 5)*	Beneficial owner	299,922,000	79,948,000	8.71%
Fosun International Limited *(note 6)*	Interest in controlled corporation	70,924,000	169,531,250	5.51%
Fosun International Holdings Limited *(note 7)*	Interest in controlled corporation	70,924,000	169,531,250	5.51%
Guo Guangchang	Interest in controlled corporation	70,924,000	169,531,250	5.51%
Invesco Hong Kong Limited	Investment manager	264,892,000	–	6.07%
Invesco PRC Equity Fund	Beneficial owner	239,716,000	–	5.50%

Notes:

1. CMNEG is indirectly owned as to 53.56% by China Merchants Group Limited and as to 46.44% beneficially by Mr. Li, Alan, an executive Director.

2. Snow Hill is indirectly and wholly owned by China Merchants Group Limited.

3. Magicgrand is directly and indirectly owned as to 100% by Mr Li, Alan, an executive Director.

4. Pairing Venture Limited is directly and wholly owned by Mr Li, Alan, an executive Director.

5. Zhongli New Energy (Hong Kong) Investment Limited is indirectly owned as to 46.94% by Mr. Wang Baixing.

6. Fosun International Limited is indirectly owned as to 79.03% by Fosun International Holdings Limited.

7. Fosun International Holdings Limited is indirectly owned as to 58% by Mr. Guo Guangchang.

(ii) Interests in other members of the Group

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than a Director) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of members of the Group other than the Company:

Name of subsidiary of the Group	Name of shareholder	Percentage of the subsidiary's issued share capital
Guodian Tuoketuo County Solar Power Company* (國電托克托縣光伏發電有限公司)	Guodian Inner Mongolia New Energy Investment Limited* (國電蒙電新能源投資有限公司)	10.22%
Guodian Chahaeryouyiqianqi Solar Power Company Limited* (國電察哈爾右翼前旗光伏發電有限公司)	Guodian Inner Mongolia New Energy Investment Limited* (國電蒙電新能源投資有限公司)	13.21%
Guodian Wulatehouqi Solar Power Company Limited* (國電烏拉特後旗光伏發電有限公司)	Guodian Inner Mongolia New Energy Investment Limited* (國電蒙電新能源投資有限公司)	9.67%
China Merchants Zhangzhou Development Zone Trenda Solar Tech Limited* (招商局漳州開發區創達太陽能科技有限公司)	Beijing Yin Bao Hong Di Shareholding Management Center (Limited Partnership)* (北京銀保弘迪股權投資管理中心(有限合夥))	8.40%

Save as disclosed above, the Directors are not aware of any person (not being a Director) who, as at the Latest Practicable Date, had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was recorded in the register required to be kept under Section 336 of Part XV of the SFO or who (other than a member of the Group) was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

6. DIRECTORS' INTERESTS IN CONTRACTS/ASSETS

As at the Latest Practicable Date, Mr. Li, Alan and Mr. Lu Zhenwei, both executive Directors of the Company and Mr. Yang Baiqian, a non-executive Director of the Company, were also directors of CMNEG, a party to the CM Subscription Agreement. Mr. Li, Alan beneficially owned approximately 46.44% of the issued share capital of CMNEG and the entire issued share capital of Magicgrand, a party to the CM Subscription Agreement.

As at the Latest Practicable Date, Shenzhen China Merchants Yinke Investment Management Limited*(深圳市招商局銀科投資管理有限公司) ("CM Yinke") had entered into certain agreements with the Group. Each of Mr. Lu Zhenwei and Mr. Yang Baiqian, executive Director and non-executive Director of the Company, also holds the senior positions in CM Yinke. For further details of the agreements, please refer to the paragraph headed "Material Contracts" below.

Save as disclosed in this circular, none of the Directors are interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiaries.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group or any of its associated companies which are:

(i) continuous contracts with a notice period of 12 months or more; or

(ii) fixed term contracts with more than 12 months to run irrespective of the notice period.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigations or claims and no litigations or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualifications of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
Goldin Financial Limited	Independent Financial Adviser, a licenced corporation to carry on Type 6 (advising on corporate finance) regulated activities under the SFO

Goldin has given and has not withdrawn its written consents to the issue of this circular with the inclusion of its report or letter or opinion as set out in this circular and references to its name in the form and context in which it appears in this circular.

As at the Latest Practicable Date, Goldin did not have any shareholding directly or indirectly in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, Goldin did not have any interest, directly or indirectly, in any asset acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited financial statements of the Company were made up.

10. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

(1) the framework agreement dated 2 August 2013 entered into between CSPG and Zhongli Photovoltaic Science and Technology Group Co., Ltd.*（中利騰暉光伏科技有限公司）("Zhongli Photovoltaics") in relation to the proposed acquisition of the entire equity interest in the project companies which own certain completed solar power plants located in Gansu, Qinghai, Xinjiang and Jiangsu provinces in the PRC with an aggregate installed capacity of approximately 300MW;

(2) the framework agreement dated 22 August 2013 entered into among the Company, GD Solar Company Limited*(國電光伏有限公司)("GD Solar"), together with NARI Technology Development Co., Ltd.*(國電南瑞科技股份有限公司) (the shares of which are listed on the Shanghai Stock Exchange), Guodian Inner Mongolia New Energy Investment Limited*(國電蒙電新能源投資有限公司) ("Guodian Inner Mongolia"), Poly Solar Technologies (Beijing) Co. Ltd.*(保利新能源科技(北京)有限公司), and Forty-eighth Research Institute of China Electronics Technology Group Corporation*(中國電子科技集團有限公司第四十八所) ("Forty-Eighth Research Institute") in relation to the proposed acquisition by the Company from GD Solar of the entire equity interest in the project companies which own certain completed solar power plants with an aggregate installed capacity of approximately 400MW;

(3) the strategic cooperation agreement dated 29 August 2013 entered into between the Company and China Singyes Solar Technologies Holdings Limited, an independent third party in relation to the cooperation in respect of the development of the roof-top and ground solar power plants, micro-grid projects, green energy-saving buildings, application of low-carbon new energy in the islands in the PRC, as well as the development of green intelligent low-carbon satellite cities in the PRC;

(4) the conditional sale and purchase agreement dated 6 September 2013 entered into among Suzhou Gong Ye Yuan Qu Zhong Fu Investment Management Company Limited*(蘇州工業園區中伏投資管理有限公司) ("Suzhou Zhong Fu"), CSPG, United Photovoltaics (Shenzhen) Limited*(聯合光伏(深圳)有限公司) ("UP (Shenzhen)"), and Huabei Expressway Co., Ltd.*(華北高速公路股份有限公司) ("Huabei Expressway") in respect of the sale and purchase of the equity interest in Fengxian Huize Photovoltaic Energy Limited*(豐縣暉澤光伏能源有限公司) ("Fengxian Huize") ("6 September 2013 SPA") from Suzhou Zhong Fu by CSPG, UP Shenzhen and Huabei Expressway, the consideration for the acquisition of the 50% equity interest in Fengxian Huize by CSPG and UP Shenzhen is RMB225,000,000 and the consideration for the acquisition of the remaining 50% equity interest in Fengxian Huize by Huabei Expressway is RMB225,000,000 and such transaction was completed on 27 December 2013;

(5) the agreement dated 6 September 2013 entered into among the Company, Huabei Expressway and the Fengxian Huize in relation to the proposed acquisition of the 50% equity interest in Fengxian Huize to be held by Huabei Expressway by the Company within the stipulated three year period, the consideration to be paid by the Company for the proposed acquisition shall be calculated according to the formula set out in the agreement;

(6) the conditional subscription agreement dated 13 September 2013 entered into between the Company and Suzhou Zhong Fu in relation to the subscription of the convertible bonds in principal amount of HK$232,959,339;

(7) the subscription agreement dated 27 September 2013 entered into among Seven Points Enterprises Inc., Financial Vantage Limited, York Credit Opportunities Investments Master Fund, L.P., York Asian Opportunities Investments Master Fund, L.P., York Global Finance Fund, L.P. (the "Purchasers"), all independent third parties, the Company as issuer, Profit Icon Investments Limited ("Profit Icon"), CSPG, China Technology New Energy Limited ("CTNE"), Faster Assets Limited ("Faster Assets"), Sino Delight Developments Limited ("Sino Delight"), Upper Light Limited ("Upper Light"), New Light Technology Limited ("New Light"), Fortune Wheel Holdings Limited ("Fortune Wheel") and Profit Giant Holdings Limited ("Profit Giant") as guarantors and Credit Suisse AG, Singapore Branch as arranger and settlement agent, pursuant to which the Company has conditionally agreed to issue and the Purchasers have conditionally agreed to subscribe for 5% secured guaranteed convertible bonds due 2016 in the aggregated principal amount of US$50,000,000 (the "Bonds");

(8) the supplemental agreement dated 5 October 2013 entered into among Suzhou Zhong Fu, CSPG, UP (Shenzhen) and Huabei Expressway to amend certain terms of the 6 September 2013 SPA;

(9) the trust deed dated 8 October 2013 (as supplemented by the first supplemental trust deed dated 14 November 2013) entered into among the Company, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel, Profit Giant and the Bank of New York Mellon, Acting through its London Branch ("BNYM"), pursuant to which BNYM holds the security for all amounts payable on the Bonds for the benefit of the secured parties (the "8 October 2013 Trust Deed");

(10) the English share mortgage dated 8 October 2013 entered into among the Company, Profit Icon, CSPG, Faster Assets, Sky Cypress Limited ("Sky Cypress"), Fortune Arena Limited ("Fortune Arena"), Jolly Wood Limited, City Mark Holdings Limited and BNYM in respect of the mortgage of the shares in the subsidiaries of the Company which were incorporated under the laws of the British Virgin Islands as part of the securities for the Bonds;

(11) the Hong Kong share mortgage dated 8 October 2013 entered into among CTNE, Sino Delight, Upper Light, Sky Cypress, Gay Giano Holdings Limited, Gay Giano China Development Limited, Goldpoly International Limited and BNYM in respect of the mortgage of the shares in the subsidiaries of the Company which were incorporated under the laws of Hong Kong as part of the securities for the Bonds;

(12) the security agreement dated 8 October 2013 entered into among the Company, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel, Profit Giant and the BNYM in respect of the charge of the assets of the Company, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel, Profit Giant as part of the securities for the Bonds;

(13) the charge over interest reserve account dated 8 October 2013 entered into between the Company and the BNYM in respect of the charge over the interest reserve account held by the Company as part of the securities for the Bonds;

(14) the agency agreement dated 8 October 2013 (as supplemented by the first supplemental agency agreement dated 14 November 2013) entered into among the Company, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel, Profit Giant, BNYM, the Bank of New York Mellon (Luxembourg) and the Bank of New York Mellon, Acting through its Hong Kong Branch, appointing BNYM and the Bank of New York Mellon (Luxembourg) as agents in respect of the Bonds (the "8 October 2013 Agency Agreement");

(15) the placing agreement dated 9 October 2013 entered into between the Company and CITIC Securities Corporate Finance (HK) Limited (the "Placing Agent") pursuant to which the Company agreed to place 55,000,000 Shares through the Placing Agent, at the price of HK$1.70 per placing share;

(16) the subscription agreement dated 16 October 2013 entered into among the Purchasers, the Company as issuer, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel and Profit Giant as guarantors and Credit Suisse AG, Singapore Branch as arranger and settlement agent, pursuant to which the Company has conditionally agreed to further issue and the Purchasers have conditionally agreed to further subscribe and pay for, the additional convertible bonds in an aggregate principal amount of US$70,000,000 together with the accrued interest on the terms and subject to the conditions set out therein;

(17) the framework agreement dated 12 November 2013 entered into between the Company and Kunlun Trust Company Limited ("Kunlun"), an independent third party, pursuant to which, among other things, the Company and Kunlun will, subject to the fulfilment of certain conditions precedent, respectively acquire 60% and 40% equity interest in certain project companies which own certain completed solar power plants with an aggregate installed capacity of approximately 500MW during the period from 2013 to 2015. Kunlun shall have the right to request the Company to acquire the equity interest in such project companies to be held by it within the three month period immediately prior to the expiration of the three years from the date of the full settlement of its portion of the consideration for the proposed acquisition;

(18) the second supplemental agreement dated 13 November 2013 entered into among Suzhou Zhong Fu, CSPG, UP (Shenzhen) and Huabei Expressway to amend certain terms of the 6 September 2013 SPA;

(19) the first supplemental agency agreement dated 14 November 2013 entered into among the Company, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel, Profit Giant, BNYM, the Bank of New York Mellon (Luxembourg) S.A. and the Bank of New York Mellon, Acting through its Hong Kong Branch to supplement the provisions of the 8 October 2013 Agency Agreement;

(20) the first supplemental trust deed dated 14 November 2013 entered into among the Company, Profit Icon, CSPG, CTNE, Faster Assets, Sino Delight, Upper Light, New Light, Fortune Wheel, Profit Giant, City Mark Holdings Limited, Fortune Arena, Gay Giano Holdings Limited, Gay Giano China Development Limited, Goldpoly International Limited, Jolly Wood Limited, Sky Cypress and BNYM to supplement the provisions of the 8 October 2013 Trust Deed;

(21) the supplement agreement dated 12 August 2013 entered into between Fengxian Zhonghui Ecological Agriculture Company Limited*(豐縣中暉生態農業有限公司) ("FZEA") and Fengxian Huize, pursuant to which FZEA and Fengxian Huize agreed to replace article 3 of the green ecological agriculture solar power project land leasing agreement dated 16 November 2011 entered into between FZEA and Fengxian Huize – "Lease term is 50 years, from 18 November 2011 to 17 November 2061" by "Lease term is 20 years, from 18 November 2011 to 17 November 2031". Fengxian Huize had the right to renew the leasing agreement under the same terms and conditions upon expiration;

(22) the supplement agreement dated 12 August 2013 entered into between FZEA and Fengxian Zhonghui Photovoltaic Energy Limited*(豐縣中暉光伏能源有限公司) ("Fengxian Zhonghui"), pursuant to which FZEA and Fengxian Zhonghui agreed: (1) that the green ecological agriculture solar power project land leasing agreement dated 27 October 2011 entered into between FZEA and Fengxian Zhonghui was void; (2) to replace article 3 of the green ecological agriculture solar power project land leasing agreement dated 16 November 2011 entered into between FZEA and Fengxian Zhonghui – "the Lease term is 50 years, from 18 November 2011 to 17 November 2061" by "the Lease term is 20 years, from 18 November 2011 to 17 November 2031". Fengxian Zhonghui has the right to renew the leasing agreement under the same terms and conditions, the lease period was 20 years;

(23) the framework agreement dated 27 November 2013 entered into among the Company, GD Solar, Guodian Inner Mongolia and Forty-Eighth Research Institute in relation to the proposed acquisition of equity interest in four companies which own solar power plants in Inner Mongolia, the PRC with an aggregate installed capacity of 195MW;

(24) the sale and purchase agreement dated 13 December 2013 entered into among Zhongli Photovoltaic, Juangsu Zhongli, United Photovoltaics (Changzhou) Investment Co., Ltd.*(聯合光伏(常州)投資有限公司) (formerly known as Zhongli Photovoltaic Changzhou Co., Ltd.*(中利騰暉光伏常州有限公司) (''UP (Changzhou)'') and Renewable Energy (Hong Kong) Trade Board Limited (''EBODHK'') in respect of the sale and purchase of the equity interest in Changzhou Dinghui New Energy Company Limited*(常州鼎暉新能源有限公司) (''Changzhou Dinghui'') from Zhongli Photovoltaics and Jiangsu Zhongli by UP (Changzhou) and EBODHK respectively, the consideration for the acquisition of the 45% equity interest in Changzhou Dinghui by UP (Changzhou) is RMB4,500,000 and the consideration for the acquisition of the remaining 55% equity interest in Changzhou Dinghui by EBODHK is RMB5,500,000 and such transaction was completed on 7 January 2014;

(25) the Engineering, Procurement and Construction ("EPC") cooperative agreement dated 13 December 2013 entered into among Zhongli Photovoltaic, Jiangsu Zhongli, UP (Changzhou), EBODHK, Zhongli Talesun Gonghe New Energy Limited*(中利騰暉共和新能源有限公司) and Hainanzhou Yahui New Energy Power Company Limited*(海南州亞暉新能源電力有限公司) in relation to (i) the consideration to be paid to Zhongli Photovoltaic as EPC contractor providing EPC services to the project companies; and (ii) the guarantee of volume of on-grid electricity generation of the project companies to be provided by Zhongli Photovoltaic and Jiangsu Zhongli. The consideration for the EPC services shall be determined with reference to the actual on-grid electricity price obtained by the project companies, where the on-grid electricity price obtained is RMB0.95 per KWh, the total consideration for the EPC services will be RMB1,854,000,000 and where the on-grid electricity price obtained is RMB1.00 per KWh, the total consideration for the EPC services will be RMB1,962,000,000;

(26) the completion agreement dated 15 December 2013 entered into between UP (Shenzhen), CSPG, Huabei Expressway and Suzhou Zhong Fu in relation to various issues towards the completion of the acquisition of Equity Interest in Fengxian Huize;

(27) the pledge agreement dated 16 December 2013 entered into between the Company and Suzhou Zhong Fu in relation to the pledging of the convertible bonds in the principal amount of HK$232,959,339 for the first five years and to pledge a sum of cash in the amount equivalent to RMB21,000,000 for the remaining three years as security in favour of CSPG, UP (Shenzhen) and Huabei Expressway for the electricity income guarantee;

(28) the sale and purchase agreement dated 19 December 2013 entered into between UP (Changzhou) and Jiangsu Yongneng New Energy Investment Limited*(江蘇永能新能源投資有限公司)("Jiangsu Yongneng") in relation to the transfer of 86.79% equity interest in Guodian Chahaeryouyiqianqi Solar Power Company Limited*(國電察哈爾右翼前旗光伏發電有限公司), which owns the solar power plant located in the Chahaeryouyiqianqi, Inner Mongolia, the PRC, with an aggregate installed capacity of approximately 50MW that have achieved on grid connection successfully, from Jiansu Yongneng to UP (Changzhou) for a consideration of RMB86,793,500 (equivalent to approximately HK$109,359,810), and such transaction was completed on 27 March 2014;

(29) the sale and purchase agreement dated 19 December 2013 entered into between UP (Changzhou) and Jiangsu Yongneng in relation to the transfer of 90.33% equity interest in Guodian Wulatehouqi Solar Power Company Limited*(國電烏拉特後旗光伏發電有限公司), which owns the solar power plant located in the Wulatehouqi, Inner Mongolia, the PRC, with an aggregate installed capacity of approximately 40MW that have achieved on grid connection successfully, from Jiansu Yongneng to UP (Changzhou) for a consideration of RMB72,263,900 (equivalent to approximately HK$91,052,514), and such transaction was completed on 28 March 2014;

(30) the sale and purchase agreement dated 19 December 2013 entered into between UP (Changzhou) and Forty-Eighth Research Institute in relation to the transfer of 89.7839% equity interest in Guodian Tuoketuo County Solar Power Company Limited*(國電托克托縣光伏發電有限公司), which owns the solar power plant located in the Tuoketuo County, Inner Mongolia, the PRC, with an aggregate installed capacity of approximately 40MW that have achieved on grid connection successfully, from Forty-Eighth Research Institute to UP (Changzhou) for a consideration of no more than RMB79,009,810 (equivalent to approximately HK$99,552,361), and such transaction was completed on 4 April 2014;

(31) the sale and purchase agreement dated 19 December 2013 entered into between UP (Changzhou) and Forty-Eighth Research Institute in relation to the transfer of 55% equity interest in Guodian Nailuntumotezuoqi Solar Power Company Limited*(國電奈倫土默特左旗光伏發電有限公司), which owns the solar power plant located in the Tumotezuoqi Town, Inner Mongolia, the PRC, with an aggregate installed capacity of approximately 65MW that have achieved on grid connection successfully, from Forty-Eighth Research Institute to UP (Changzhou) for a consideration of no more than RMB66,550,000 (equivalent to approximately HK$83,853,000);

(32) the sale and purchase agreement dated 8 January 2014 entered into between UP (Changzhou) and EBODHK in respect of the sale and purchase of the 55% equity interest in Changzhou Dinghui from EBODHK by UP (Changzhou) for a consideration of RMB5,500,000 (equivalent to approximately HK$6,930,000), and such transaction was completed on 13 June 2014;

(33) the cooperation agreement dated 9 January 2014 entered into among the Company, China Triumph International Engineering Co., Ltd.*(中國建材國際工程集團有限公司)("CTIEC") and Huawei Technology Co., Ltd.*(華為技術有限公司)("Huawei") in relation to the proposed acquisition from CTIEC certain companies which own solar power plants located in China, Europe, North America and Japan with an aggregate installed capacity of approximately 500MW and the selection of Huawei as the primary supplier of inverters and information transmission systems, the consideration for the acquisition of the project companies will be determined with reference to the target internal rate of return of the Company of not less than 9%;

(34) the framework agreement dated 21 January 2014 entered into between the Company and GD Solar, pursuant to which, *inter alia*s, it is proposed that the Company will acquire from GD Solar, the entire equity interest in four companies which own certain solar power plants constructed by GD Solar and located in Jinchang City, Gansu, China with an aggregate installed capacity of approximately 400MW;

(35) the placing agreement dated 23 January 2014 entered into between the Company, BOCI Asia Limited, CLSA Limited and Morgan Stanley & Co. International plc, pursuant to which, *inter alia*s, 480,000,000 new Shares were issued and allotted at the price of HK$1.72 per Share on 29 January 2014;

(36) a strategic cooperation agreement dated 19 February 2014 entered into among the Company, EBODHK and Wangxin Finance Group in relation to the development and construction of certain solar power plant projects to be financed through a crowd-funding platform in China;

(37) a strategic cooperation agreement dated 19 February 2014 entered into among the Company and the Shenzhen Branch of China Development Bank (the "CDBSZ"), pursuant to which, among other things, CDBSZ agreed to provide financing for the Group's solar power plant projects with an aggregate installed capacity of approximately one gigawatt, subject to credit assessment and CDBSZ provides escrow/custodian services for funds raised by the Group by through crowd-funding or other internet-based channels;

(38) a finance lease agreement dated 27 February 2014 entered into between the Company and United Group Facilities Leasing Co., Ltd. ("Zhongxing Leasing Company"), pursuant to which, Zhongxing Leasing Company has agreed to purchase polycrystalline silicon modules from an independent third party in accordance with the requirements of the Company and lease the same to the Company for a term of 12 years at an aggregate consideration of approximately US$148,970,000 (equivalent to approximately HK$1,154,517,000) (the "27 February 2014 Finance Lease Agreement");

(39) A purchase agreement dated 27 February 2014 entered into among the Company, Zhongxing Leasing Company and an independent third party, pursuant to which the independent third party will sell and Zhongxing Leasing Company will purchase polycrystalline silicon modules at a consideration of US$110,000,000 (equivalent to approximately HK$852,500,000). The effectiveness of the said agreement is conditional upon the 27 February 2014 Finance Lease Agreement becoming effective;

(40) A conditional sale and purchase agreement dated 14 April 2014 entered into between the Company and Yingli Energy (China) Company Limited*(英利能源(中國)有限公司) in relation to the proposed acquisition of the equity interests in certain project companies which own certain ground-based solar power plants with an aggregate installed capacity of not less than 300MW from 2014 to 2016, subject to the fulfillment of certain conditions precedent, the consideration for the proposed acquisition will be calculated with reference to the target internal rate of return of the Company of not less than 9% and the relevant data such as the on-grid tariff of the specific target projects;

(41) a strategic cooperation agreement dated 16 April 2014 entered into between the Company and China Financial Leasing Company Limited*(中國金融租賃有限公司), in relation to, subject to the entering into definitive agreements (if entered into), the intended provision of finance lease in the aggregate amount of not less than RMB10 billion, pursuant to the relevant national laws and regulations, the relevant industrial policies and catalogue of guidance for industrial structure adjustment for certain businesses of the Company;

(42) an agreement dated 21 July 2014 entered into among UP(Changzhou), TBEA Sun Oasis Co., Ltd.*(特變電工新疆新能源股份有限公司) ("TBEA") and Xinjiang Sang'ou Solar Equipment Co., Ltd.*(新疆桑歐太陽能設備有限責任公司) ("Xinjiang Sang'ou") in relation to (i) the purchase of the entire equity interest in Gonghe County Xinte Photovoltaic Co., Ltd*(共和縣新特光伏發電有限責任公司), which owns a ground-based solar power plant located in Gonghe, Qinghai, PRC, with an aggregate installed capacity of approximately 20 MW, for a total cash consideration of RMB43,000,000; and (ii) the payment in relation to the EPC arrangement;

(43) the conditional sale and purchase agreement dated 27 August 2014 entered into by the Company, Power Solar Investments Limited and Mr. Chung Rai Lin in relation to the disposal of 70% of the entire issued share capital of Fortune Arena for a consideration of HK$210,000,000, and such transaction was completed on 28 October 2014;

(44) the deed of settlement dated 22 September 2014 entered into between CSPG and GCL-Poly Investment Limited ("GCL-Poly Investment"), with respect to (i) the termination of the framework agreement dated 18 June 2012 (as supplemented by the supplemental agreement dated 19 July 2012) in relation to the proposed acquisition by CSPG of the entire equity interests in the project companies for certain solar power plants which are projects eligible for the Golden Sun Program; and (ii) the refund of the early development fees paid by CSPG under the framework agreement in the amount of HK$23,311,060 by GCL-Poly Investment to CSPG, all of which were concluded on the same date;

(45) a Cooperation Agreement dated 31 October 2014 entered into between the Company, CM Yinke, China Merchants Wealth Asset Management Limited*(招商財富資產管理有限公司) ("CM Wealth") and China Merchants Zhangzhou Development Zone Trenda Solar Limited*(招商局漳州開發區創大太陽能有限公司) ("CM Trenda"), in relation to (i) proposed joint acquisition by the Company and CM Yinke of Changzhou Guangyu New Energy Company Limited*(常州光昱新能源有限公司) which owns two on-grid connected solar power plant projects in Xinjiang Province, the PRC with an approximate aggregate installed capacity of 80MW; (ii) proposed issue of convertible bond in the principal amount of approximately HK$529,200,000 by the Company to CM Wealth; and (iii) the conditional call and put options of the Company and CM Yinke in respect of the equity interest to be owned by CM Yinke;

(46) a solar power projects development agreement dated 16 December 2014 entered into between CM Zhangzhou Trenda and CMLH, pursuant to which CMLH would undertake project development work in areas selected by CM Zhangzhou Tranda with the recommendation of CMLH based on the existing network of CMLH at the fee to be calculated on the basis of RMB0.10 per watt for each successfully completed project;

(47) a rooftop solar power plants framework agreement dated 16 December 2014 entered into between CM Zhangzhou Trenda and CMLH pursuant to which, among others, (i) CMLH agreed to lease to CM Zhangzhou Trenda certain rooftops of warehouses, distribution centers and other logistics network buildings being built or to be built in Xinjiang, Qingdao, Kunming, Ningbo and Hefei, for the installation of rooftop solar power plants at the annual rate from RMB1.0 to RMB2.0 per square meter during the term of agreement; and (ii) CMLH agreed to undertake reinforcement construction work at the cost of CM Zhangzhou Trenda on such rooftops according to the requirements specified by CM Zhangzhou Trenda to ensure solar power plants can be safely installed on such roofs;

(48) a strategic cooperation agreement entered into between the Company and NARI Electricity Design Company Limited*（南瑞電力設計有限公司）("NARI Electricity") on 17 December, 2014 in relation to, among others, the proposed acquisition of (a) the solar power plants developed by NARI Electricity; or (b) NARI Electricity's shareholding in joint venture(s) established by the parties to jointly develop, construct, operate and maintain the solar power plants with an aggregate installed capacity target of not less than 1.5GW in the coming three year;

(49) CM Subscription Agreement;

(50) Zhongli Subscription Agreement; and

(51) a finance lease agreement dated 19 December 2014 entered into between Zhongli Talesun Gonghe New Energy Limited*（中利騰暉共和新能源有限公司） (the "Lessee") and Beijing Culture & Technology Financial Leasing Company Limited*（北京市文化科技融資租賃股份有限公司）(the "Lessor") pursuant to which (i) the Lessor will purchase the leased assets from the Lessee for a consideration of RMB220,000,000 (equivalent to approximately HK$277,200,000); and (ii) the Lessor will lease the leased assets back to the Lessee for a period of 8 years at an aggregate lease consideration of RMB293,263,740 (equivalent to approximately HK$369,512,312).

11. GENERAL

(a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda;

(b) The branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited, which situates at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong;

(c) The company secretary of the Company is Ms. Qiu Ping, Maggie, who is also a non-executive Director and a director and president of CSPG, a wholly-owned subsidiary of the Company. Ms. Qiu holds a Bachelor's degree in Economics and a Bachelor's degree in German Literature from Peking University. Ms. Qiu was also awarded a Master's degree in European Culture and Economics by Ruhr University Bochum in Germany and a Master of Laws in Corporate and Financial Law in the University of Hong Kong;

(d) The auditor of the Company is PricewaterhouseCoopers;

(e) As at the Latest Practicable Date, the Board consisted of two executive Directors, namely Mr. Li, Alan (Chairman and Chief Executive Officer) and Mr. Lu Zhenwei; three non-executive Directors, namely Academician Yao Jiannian, Mr. Yang Baiqian and Ms. Qiu Ping, Maggie; and four independent non-executive Directors, namely Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing;

(f) As at the Latest Practicable Date, no Directors had any interest, directly or indirectly, in any asset acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited financial statements of the Company were made up; and

(g) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

12. MATERIAL ADVERSE CHANGE

Save as disclosed in the 2014 Interim Report in relation to the impairment charge on property, plant and equipment of approximately HK$214,122,000 in connection with Fortune Arena Limited (the disposal of the 70% of the issued share capital of Fortune Arena Limited was completed on 28 October 2014), the Directors confirm that, as at the Latest Practicable Date, they are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited consolidated financial statements of the Company were made up.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Unit 1012, 10/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the SGM:

(a) the CM Subscription Agreement;

(b) the Zhongli Subscription Agreement;

(c) the memorandum and bye-laws of the Company;

(d) the letter from the Board, the text of which is set out on pages 4 to 13 of this circular;

(e) the letter to the Independent Shareholders from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;

(f) the letter to the Independent Shareholders from the Independent Financial Adviser, the text of which is set out on pages 16 to 32 of this circular;

(g) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this appendix;

(h) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(i) the circular of the Company dated 16 May 2014 in relation to the acquisition of the remaining 55% equity interest in Changzhou Dinghui by the Company;

(j) the circular of the Company dated 8 October 2014 in relation to the very substantial disposal of 70% of the entire issued share capital of Fortune Arena Limited; and

(k) this circular.

UNITED PHOTOVOLTAICS GROUP LIMITED

聯合光伏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

NOTICE IS HEREBY GIVEN THAT the special general meeting (the "Meeting") of United Photovoltaics Group Limited (the "Company") will be held at Unit 1407, 14/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Wednesday, 28 January, 2015 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**:

   (a) (i) the conditional subscription agreement dated 18 December 2014 (the "CM Subscription Agreement"), a copy of which has been produced to the meeting and marked "A" and signed by the chairman of the meeting for the purpose of identification and entered into between the Company as issuer and China Merchants New Energy Group Limited and Magicgrand Group Limited as subscribers in relation to the proposed subscription of an aggregate of 200,000,000 shares of HK$0.1 each in the share capital of the Company (each a "CM Subscription Share", and collectively, the "CM Subscription Shares") at the price of HK$1.0 per CM Subscription Share and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

   (ii) subject to the fulfillment of the conditions of the CM Subscription Agreement, any one Director be and is hereby authorised to exercise all the powers of the Company and to take all steps as might in his/her opinion be desirable or necessary in connection with the CM Subscription Agreement to, including without limitation, allot and issue the CM Subscription Shares;

(iii) all other transactions contemplated under the CM Subscription Agreement be and are hereby approved and any one Director be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the CM Subscription Agreement, the allotment and issue of the CM Subscription Shares and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole; and

(b) subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the CM Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the CM Subscription Agreement, the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with the CM Subscription Shares pursuant to the CM Subscription Agreement be and is hereby confirmed and approved.''

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

Hong Kong, 12 January 2015

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish.

3. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the Meeting or any adjournment thereof if you so desire and, in such event, the instrument appointing such a proxy shall be deemed to be revoked.

4. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holder are present at the Meeting personally or by proxy, the persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

5. Votes on the ordinary resolution set out herein and is to be passed at the Meeting will be taken by way of poll.

6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 11:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of Company at www.unitedpvgroup.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

7. As at the date hereof, the board of directors of the Company comprises Mr. Li, Alan (Chairman and Chief Executive Officer) and Mr. Lu Zhenwei, being the executive directors; Academician Yao Jiannian, Mr. Yang Baiqian and Ms. Qiu Ping, Maggie, being the non-executive directors; and Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing, being the independent non-executive directors.