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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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.

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### UNITED PHOTOVOLTAICS GROUP LIMITED

### 聯合光伏集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

## PROPOSED AMENDMENTS OF CERTAIN TERMS OF THE US\$30,000,000 CONVERTIBLE BONDS AND NOTICE OF SPECIAL GENERAL MEETING

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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 notice convening the SGM to be held at 3:00 p.m. on Tuesday, 21 March 2017, at Unit 1407, 14/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong is set out on pages 8 to 9 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 Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, 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.

3 March 2017

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## DEFINITIONS

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

|                       |                                                                                                                                                                                                                                                                                                                                                |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Amendment Deed”      | the amendment deed dated 23 February 2017 entered into between the Company and the Bondholder in relation to the Proposed Amendments                                                                                                                                                                                                           |
| “associate”           | has the meaning ascribed thereto in the Listing Rules                                                                                                                                                                                                                                                                                          |
| “Board”               | the board of Directors                                                                                                                                                                                                                                                                                                                         |
| “Bondholder”          | COAMI ABS NO.1 LIMITED, a limited liability company incorporated in the Cayman Islands and a third party independent of the Company and its connected persons (as defined in the Listing Rules)                                                                                                                                                |
| “business day”        | a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.                                                |
| “Company”             | United Photovoltaics Group Limited (聯合光伏集團有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange                                                                                                                                                              |
| “Conversion Share(s)” | the Share(s) to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds                                                                                                                                                                                                                                        |
| “Convertible Bonds”   | the 7.5% secured three-year convertible bonds in the principal amount of US\$30,000,000 due 29 April 2018 issued by the Company to Golden Express Capital Ltd. on 29 April 2015 under general mandate, which were transferred to the Bondholder on 11 December 2015 in accordance with the terms and conditions set out in the bond instrument |
| “Directors”           | the directors of the Company                                                                                                                                                                                                                                                                                                                   |
| “Group”               | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                               |
| “HK\$”                | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                            |

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## DEFINITIONS

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|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                            |
| “Latest Practicable Date” | 28 February 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular                                                                     |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                               |
| “PRC”                     | the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                                                                         |
| “Proposed Amendments”     | the proposed amendments to the terms and conditions of the Convertible Bonds pursuant to the terms of the Amendment Deed                                                                                                                          |
| “SGM”                     | the special general meeting of the Company to be convened and held for the purpose of consideration, if thought fit, approving the Proposed Amendments; and the grant of the Specific Mandate                                                     |
| “Share(s)”                | share(s) of HK\$0.10 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes of the Company resulting from any subdivision, consolidation or re-classification of those shares |
| “Shareholder(s)”          | holder(s) of the Shares                                                                                                                                                                                                                           |
| “Specific Mandate”        | the specific mandate(s) to be sought at the SGM for the allotment and issue of the Conversion Shares pursuant to the terms of the Convertible Bonds (as amended by the Supplemental Deed)                                                         |
| “Stock Exchange”          | the Stock Exchange of Hong Kong Limited                                                                                                                                                                                                           |
| “Supplemental Deed”       | the supplemental deed poll to be executed by the Company to effect the Proposed Amendments in accordance with the terms of the Amendment Deed                                                                                                     |
| “US\$”                    | United States dollars, the lawful currency of the United States of America                                                                                                                                                                        |

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## LETTER FROM THE BOARD

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### UNITED PHOTOVOLTAICS GROUP LIMITED

### 聯合光伏集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

*Executive Directors:*

Mr. Li, Alan (*Chairman and Chief Executive Officer*)  
Mr. Lu Zhenwei  
Mr. Li Hong  
Ms. Qiu Ping, Maggie

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

Academician Yao Jiannian  
Mr. Tang Wenying

*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

*Independent non-executive Directors:*

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

3 March 2017

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSED AMENDMENTS OF CERTAIN TERMS OF THE US\$30,000,000 CONVERTIBLE BONDS AND NOTICE OF SPECIAL GENERAL MEETING**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 23 February 2017 in relation to the Proposed Amendments, pursuant to which the Company and the Bondholder agreed to amend certain terms and conditions of the Convertible Bonds.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with further details of the Proposed Amendments in respect of the resolution to be proposed at the SGM and to give you a notice of the SGM.

### AMENDMENTS TO TERMS OF THE CONVERTIBLE BONDS

References are made to the announcements of the Company dated 31 December 2014, 4 March 2015, 22 April 2015 and 29 April 2015 in relation to the issue of the Convertible Bonds.

As at the Latest Practicable Date, the aggregate outstanding principal amount of the Convertible Bonds amounted to US\$30,000,000.

On 23 February 2017, the Company entered into an Amendment Deed with the Bondholder in relation to the Proposed Amendments, pursuant to which, the Company shall have an early redemption right in respect of the Convertible Bonds, details of which are set out below:

To the extent not previously converted into Shares or not being subject to conversion under the relevant bond instrument at the relevant time, the Company shall have the right, at any time commencing from the effective date of the Supplemental Deed and ending on the fifth business day prior to the maturity date of the Convertible Bonds after having given a redemption notice (the “**Redemption Notice**”) to the Bondholder in accordance with the bond instrument, redeem all or part of the outstanding principal amount of the Convertible Bonds at a price that is equal to the sum of items (a) to (c) set out below:

- (a) 100% of the face value of the part of principal amount of the Convertible Bonds proposed to be redeemed;
- (b) all interest accrued thereon up to (but excluding) the redemption date as specified on the Redemption Notice; and
- (c) a redemption premium, the aggregate amount of which will be determined by the following formula:

$$P \times (20\% \times N/T)$$

where:

P represents the principal amount of the Convertible Bonds to be redeemed;

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

T represents the number of days of three (3) complete full years.

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## LETTER FROM THE BOARD

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Under the existing terms of the Convertible Bonds, the Company will redeem the Convertible Bonds on or before the fifteenth business day after the maturity date at 120% of the outstanding principal amount together with accrued and unpaid interest. Upon early redemption of the Convertible Bonds (as amended by the Supplemental Deed), the Bondholder will receive a prorated portion of the redemption premium.

### Conditions Precedent

The Proposed Amendments are subject to the following conditions precedent:

- (a) the approval of the Proposed Amendments by the Stock Exchange;
- (b) the approval of the Proposed Amendments by the Shareholders at the SGM;
- (c) the sanction of the Supplemental Deed by a special resolution of the Bondholder as holder of the Convertible Bonds; and
- (d) the approval by board of directors of the Bondholder and completion of all necessary internal approval procedure for performance of the Amendment Deed and the special resolution by the Bondholder.

The Company shall execute the Supplemental Deed within three business days after the conditions precedent have been fulfilled to effect the Proposed Amendments.

Save as disclosed above, all other terms and conditions of the Convertible Bonds shall remain unchanged.

### REASONS FOR ENTERING INTO OF THE AMENDMENT DEED

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

The Company considers that the entering into of the Amendment Deed will allow the Company to redeem the Convertible Bonds prior to its maturity date and to better manage its capital structure with flexibility, and upon early redemption of the Convertible Bonds, the Company's financial costs will be lowered and in turn the financial position of the Company will be strengthened, enhancing the Company's market competitiveness.

It is the intention of the Company to redeem the Convertible Bonds immediately after the Proposed Amendments become effective. The Company intends to apply the net proceeds from the recent issue of US\$ senior notes due 2020 to fund the early redemption. Upon the full redemption of the Convertible Bonds by the Company, the Bondholder shall cease to have any right to nominate a person as a non-salaried director of the Company's subsidiary pursuant to the subscription agreement in relation to the issue of the Convertible Bonds.

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## LETTER FROM THE BOARD

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

None of the Directors has any material interest in the transactions contemplated under the Amendment Deed, and therefore none of the Directors has abstained from voting on such Board resolutions.

### IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible bonds after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible bonds.

The Company has applied to the Stock Exchange for approval of the Proposed Amendments.

The application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission of deal in, the Conversion Shares falling to be allotted and issued under the Convertible Bonds (as amended by the Supplemental Deed).

### SGM

A notice convening the SGM to be held at 3:00 p.m. on Tuesday, 21 March 2017 at Unit 1407, 14/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong is set out on pages 8 to 9 of this circular.

An ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Proposed Amendments. As at the Latest Practicable Date, to the best knowledge of the Directors having made reasonable enquiries, no Shareholders are required to abstain from voting. If the Bondholder and its associates hold any Share on the date of the SGM, they will be required to abstain from voting on the relevant resolution to be proposed at the SGM in relation to the Amendment Deed, the Proposed Amendments and the allotment and issue of the Conversion Shares under the Specific Mandate. Save as stated, all Shareholders will be entitled to vote on the resolution approving the Amendment Deed, the Proposed Amendments and the allotment and issue of the Conversion Shares under the Specific Mandate at the SGM.

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## LETTER FROM THE BOARD

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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 Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, 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 independent non-executive Directors) considers that the terms of the Amendment Deed and the Proposed Amendments 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 Amendment Deed, the Proposed Amendments and the grant of the Specific Mandate at the SGM.

### 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 Company. 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.

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

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## NOTICE OF SPECIAL GENERAL MEETING

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### UNITED PHOTOVOLTAICS GROUP LIMITED

### 聯合光伏集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

**NOTICE IS HEREBY GIVEN THAT** a 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 Tuesday, 21 March 2017 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:

Capitalised terms used herein without definition shall have the same meanings as in the circular issued by the Company on 3 March 2017, unless the context otherwise requires.

#### **ORDINARY RESOLUTION**

**“THAT:**

- (a) the entering into of the Amendment Deed, a copy of which is produced to the Meeting marked “A” and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved, confirmed and ratified, and all the transactions contemplated thereunder, including the Proposed Amendments, be and are hereby approved, confirmed and ratified;
- (b) subject to the Stock Exchange having approved the Proposed Amendments and the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares, the Board be and is hereby granted a Specific Mandate for the allotment and issue of all the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds and in payment of the accrued and unpaid interest under the Convertible Bonds; and

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## NOTICE OF SPECIAL GENERAL MEETING

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- (c) any one Director be and is hereby generally and unconditionally authorised to sign and execute the Supplemental Deed and to do all such further acts and things and to sign and execute all such other or further documents (if any) and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the transactions contemplated under the Amendment Deed, including but not limited to the execution of any documents or deeds or the affixation of any seal or the issue of any certificate.

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

Hong Kong, 3 March 2017

*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/her/its 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. In such event, the instrument appointing such a proxy shall be deemed to be revoked.
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, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time fixed for holding of the Meeting or any adjournment thereof.
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 holders 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](http://www.unitedpvgroup.com) and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://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), Mr. Lu Zhenwei, Mr. Li Hong and Ms. Qiu Ping, Maggie, being the executive directors; Academician Yao Jiannian and Mr. Tang Wenyong, 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.