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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)

AMENDMENTS TO CERTAIN TERMS OF THE US\$30,000,000 CONVERTIBLE BONDS HELD BY COAMI ABS NO.1 LIMITED

AMENDMENTS TO TERMS OF THE CONVERTIBLE BONDS

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. All other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds amounts to US\$30,000,000. It is the intention of the Company to redeem the Convertible Bonds immediately after the Proposed Amendments become effective.

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 Company will convene the SGM to seek the Shareholders' approval for the Proposed Amendments and the grant of Specific Mandate. 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).

GENERAL INFORMATION

A circular containing, among other matters, further details of the Amendment Deed and the Proposed Amendments, together with a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable.

INTRODUCTION

References are made to the announcements of the Company dated 4 March 2015, 22 April 2015 and 29 April 2015 in relation to the issue of the Convertible Bonds. As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds amounts to US\$30,000,000.

AMENDMENTS TO TERMS OF THE CONVERTIBLE BONDS

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.

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.

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.

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

The Company will convene the SGM to seek the Shareholders' approval for the Proposed Amendments and the grant of Specific Mandate. 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).

GENERAL INFORMATION

A circular containing, among other matters, further details of the Amendment Deed and the Proposed Amendments, together with a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Amendment Deed”	the amendment deed dated 23 February 2017 entered into between the Company and Bondholder in relation to the Proposed Amendments
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“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.
“Bondholder”	COAMI ABS NO.1 LIMITED, a limited liability company incorporated in the Cayman Islands
“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 issued by the Company to Golden Express Capital Ltd. on 29 April 2015 under general mandate, which was 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 announcement, 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

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

Hong Kong, 23 February 2017

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and Chief Executive Officer), Mr. Lu Zhenwei, Mr. Li Hong and Ms. Qiu Ping, Maggie; the non-executive directors of the Company are Academician Yao Jiannian and Mr. Tang Wenyong; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing.