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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)

SUPPLEMENTAL AGREEMENTS OF THE ACQUISITION OF A 17.29MW SOLAR POWER PLANT IN HEBEI, THE PRC

Reference is made to the announcement dated 1 December 2015 (the "**Announcement**") made by United Photovoltaics Group Limited (the "**Company**") in relation to, among other things, the acquisition of the entire equity interest in Tangshan Zhaoxin Solar Power Co., Ltd.*(唐山招新太陽能發電有限公司)("**Tangshan Zhaoxin**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL AGREEMENTS

As previously announced, the Tangshan Plant developed by Tangshan Zhaoxin was expected to have an installed capacity of approximately 20MW. In December 2016, the Tangshan Plant achieved on-grid connection with an adjusted installed capacity of 17.29MW based on the final approval of the Hebei Development and Reform Commission.

On 4 January 2017, UP (Changzhou), a wholly-owned subsidiary of the Company, Changzhou Zhaolianlvcan New Energy Limited*(常州市招聯綠燦新能源有限公司)("**Changzhou Lvcan**"), another wholly-owned subsidiary of the Company and the Seller entered into two supplemental agreements (the "**Supplemental Agreements**") to amend and supplement the terms of the original Tangshan Acquisition Agreement. Material amendments and variations under the Supplemental Agreements are set out as follows:

(a) all the rights and obligations of UP (Changzhou) under the Tangshan Acquisition Agreement were assigned to Changzhou Lvcan for internal restructuring purpose;

(b) it is confirmed that the consideration for the equity interest of Tangshan Zhaoxin will be RMB40,000,000 (which will be satisfied in full by the pre-payment made pursuant to the original Tangshan Acquisition Agreement) and that the total outstanding liability of Tangshan Zhaoxin (inclusive of the costs of land, construction costs, costs of on-grid connection) as of 30 November 2016 will not exceed RMB129,049,000, and any amount in excess thereof shall be indemnified by the Seller; and

(c) the registered capital of Tangshan Zhaoxin shall be increased to RMB39,000,000 on or before 31 March 2017 and the longstop date of the Tangshan Acquisition Agreement was extended to 31 March 2017.

The entering into of the Supplemental Agreements was the results of further arms' length negotiation between the parties after the execution of the Tangshan Acquisition Agreement. Having considered that the development and construction cost was reduced due to adjustment in the installed capacity of the Tangshan Plant, the Tangshan Plant has achieved on-grid connection and will start to bring in operating revenue to the Group and supplement the Group's existing solar power plant portfolio, the Directors are of the view that the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Save as specifically amended, modified or supplemented by the Supplemental Agreements, all other terms and conditions of the Tangshan Acquisition Agreement remain in full force and effect.

Completion of the Acquisition is expected to take place no later than 31 March 2017, and whereupon, Tangshan Zhaoxin will become an indirect wholly-owned subsidiary of the Company.

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

Hong Kong, 4 January 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.

* *For identification purpose only*