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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)

**(1) SUBSCRIPTION FOR NEW SHARES AND WARRANTS BY
ORIX ASIA CAPITAL LIMITED UNDER SPECIFIC MANDATE**

**(2) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION
FOR NEW SHARES AND WARRANTS BY A SUBSTANTIAL SHAREHOLDER
UNDER SPECIFIC MANDATE**

**(3) SUBSCRIPTION FOR NEW SHARES BY
NEW ENERGY EXCHANGE LIMITED UNDER SPECIFIC MANDATE
AND**

(4) RESUMPTION OF TRADING

SUBSCRIPTION FOR NEW SHARES AND WARRANTS

On 20 September 2016 (after trading hours), the Company entered into three Subscription Agreements, namely:

- (a) the ORIX Subscription Agreement with ORIX, pursuant to which ORIX has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) an aggregate of 1,407,385,568 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share; and (ii) an aggregate of 508,127,584 Warrants at the Warrant Issue Price of HK\$0.000775 per Warrant, which will entitle the Warrantholder(s) to subscribe in cash for one Warrant Share at the Warrant Subscription Price of HK\$0.646 (subject to adjustment) during the Warrant Exercise Period;

- (b) CM Subscription Agreement with CMNEG, a substantial Shareholder, pursuant to which CMNEG has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) a maximum of 756,793,945 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share; and (ii) a maximum of 362,948,274 Warrants at the Warrant Issue Price of HK\$0.000775 per Warrant, which will entitle the Warrantholder(s) to subscribe in cash for one Warrant Share at the Warrant Subscription Price of HK\$0.646 (subject to adjustment) during the Warrant Exercise Period. Pursuant to the CM Subscription Agreement, the number of Subscription Shares to be subscribed by CMNEG, together with all of the Shares held by CMNEG and/or the parties acting in concert with it, shall not exceed 29.90% of the then total issued Shares; and
- (c) NEX Subscription Agreement with NEX, pursuant to which NEX has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a maximum of 68,799,449 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share. Pursuant to the NEX Subscription Agreement, the number of Subscription Shares to be subscribed by NEX, together with all of the Shares held by NEX and/or the parties acting in concert with it, shall not exceed 29.90% of the then total issued Shares.

It is expected that the aggregate gross proceeds from the Share Subscriptions and the Warrant Subscriptions will be approximately HK\$1,298.9 million. The estimated net proceeds from the Share Subscriptions, after the deduction of relevant costs and expenses, will be approximately HK\$1,259 million.

Assuming full exercise of the subscription rights attaching to the Warrants, it is expected that a further fund of approximately HK\$562.7 million will be raised. Taking into account the costs and expenses of the issue of the Warrant Shares, the estimated net proceeds from the subscription of Warrant Shares will be approximately HK\$562.7 million (with a net issue price of approximately HK\$0.646 per Warrant Share).

SPECIFIC MANDATE

The Subscription Shares and Warrant Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Warrant Shares.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CMNEG is a substantial Shareholder, and is therefore a connected person of the Company. Accordingly, the CM Subscription constitutes a connected transaction of the Company under Chapter 14A of 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. NEX is a party acting in concert with CMNEG according to Section 317 of the SFO. The Company will at the SGM seek approval for, among other things, the Subscription Agreements and the transactions contemplated thereunder. CMNEG, NEX and their respective associates are required to abstain from voting in relation to the CM Subscription Agreement and the NEX Subscription Agreement and the transactions contemplated thereunder.

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, 5,000,000 Shares are issuable to a third party as consideration for an acquisition as announced by the Company on 10 December 2015. The Company does not have any other securities with subscription rights outstanding and not yet exercised. As at the date of this announcement, the issued share capital of the Company is 4,839,310,325 Shares and accordingly the maximum number of 962,862,065 new Shares to be allotted and issued is in compliance with Rule 15.02(1) of the Listing Rules.

SGM

An SGM will be convened and held to consider and, if thought fit, to approve the Subscription Agreements and the transactions contemplated thereunder, the issue of the Warrants and the grant of the specific mandate for issue of the Subscription Shares and the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants.

A circular containing, among other things, (a) further details of the Subscription Agreements and the Warrants, the specific mandate for the issue of the Subscription Shares and the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants, (b) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in respect of the CM Subscription Agreement and the transactions contemplated thereunder, (c) a letter of recommendation from the independent board committee to the Independent Shareholders in respect of the CM Subscription Agreement and the transactions contemplated thereunder, and (d) a notice to convene the SGM and a proxy form, will be despatched to the Shareholders in accordance with the Listing Rules on or around 28 October 2016 as more time is required to prepare the relevant information to be included in the circular as prescribed under the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 21 September 2016 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 22 September 2016.

Completion of each of the ORIX Subscription, the CM Subscription and the NEX Subscription is conditional upon the satisfaction of the respective conditions precedent set out in this announcement. As the ORIX Subscription, the CM Subscription and/or the NEX Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 20 September 2016 (after trading hours), the Company entered into three Subscription Agreements, namely:

- (a) the ORIX Subscription Agreement with ORIX, pursuant to which ORIX has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) an aggregate of 1,407,385,568 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share; and (ii) an aggregate of 508,127,584 Warrants at the Warrant Issue Price of HK\$0.000775 per Warrant, which will entitle the Warrantholder(s) to subscribe in cash for one Warrant Share at the Warrant Subscription Price of HK\$0.646 (subject to adjustment) during the Warrant Exercise Period;
- (b) CM Subscription Agreement with CMNEG, a substantial Shareholder, pursuant to which CMNEG has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) a maximum of 756,793,945 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share; and (ii) a maximum of 362,948,274 Warrants at the Warrant Issue Price of HK\$0.000775 per Warrant, which will entitle the Warrantholder(s) to subscribe in cash for one Warrant Share at the Warrant Subscription Price of HK\$0.646 (subject to adjustment) during the Warrant Exercise Period. Pursuant to the CM Subscription Agreement, the number of Subscription Shares to be subscribed by CMNEG, together with all of the Shares held by CMNEG and/or the parties acting in concert with it, shall not exceed 29.90% of the then total issued Shares; and
- (c) NEX Subscription Agreement with NEX, pursuant to which NEX has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a maximum of 68,799,449 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share. Pursuant to the NEX Subscription Agreement, the number of Subscription Shares to be subscribed by NEX, together with all of the Shares held by NEX and/or the parties acting in concert with it, shall not exceed 29.90% of the then total issued Shares.

THE SUBSCRIPTION AGREEMENTS

Details of the Subscription Agreements are set out below.

(A) The ORIX Subscription Agreement

Date

20 September 2016

Issuer

the Company

Subscriber

ORIX

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ORIX and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

ORIX has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) an aggregate of 1,407,385,568 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share; and (ii) an aggregate of 508,127,584 Warrants at the Warrant Issue Price of HK\$0.000775 per Warrant, which will entitle the Warrantholder(s) to subscribe in cash for one Warrant Share at the Warrant Subscription Price of HK\$0.646 (subject to adjustment) during the Warrant Exercise Period.

The 1,407,385,568 Subscription Shares to be subscribed by ORIX represent (i) approximately 29.08% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 19.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Assuming full exercise of the subscription rights attaching to the Warrants to be subscribed by ORIX, a total of 508,127,584 Warrant Shares will be allotted and issued to ORIX, representing (i) approximately 10.5% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 9.5% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares under the ORIX Subscription Agreement; and (iii) approximately 7.52% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Warrant Shares under the ORIX Subscription Agreement.

The Subscription Shares to be subscribed by ORIX are not subject to any lock-up or other disposal restriction under the terms of the ORIX Subscription Agreement.

Conditions precedent of the ORIX Subscription Agreement

Completion of the ORIX Subscription is conditional upon fulfillment of the following conditions precedent:

- (a) the Stock Exchange having approved the issue of the Subscription Shares and Warrants and the Listing Committee of the Stock Exchange having granted the listing of and the permission to deal in the Subscription Shares and Warrants Shares and such listing and permission having not been revoked;
- (b) the passing by the Shareholders (being such Shareholders as are allowed to vote under the Listing Rules or permitted by the Stock Exchange to vote) at the SGM of ordinary resolutions to approve: (i) the ORIX Subscription and the transactions contemplated under the ORIX Subscription Agreement; and (ii) the grant of a specific mandate to the Directors to issue the Subscription Shares, the Warrants and the Warrant Shares, in accordance with the Listing Rules and the bye-laws of the Company (as the case may be);
- (c) the passing by the Board of the necessary resolutions to approve the ORIX Subscription and the consummation of the transactions contemplated under the ORIX Subscription Agreement;
- (d) the definitive agreement(s) with respect to the Syndication Loan and/or the Corporate Bonds (as the case may be) for the purpose of raising an aggregate amount of not less than HK\$2 billion, in each case in form and substance satisfactory to ORIX and the Company, having been entered into by and among the Company and the relevant counterparties thereto, and all conditions precedent to the draw-down of the Syndication Loan and/or the issuance of the Corporate Bonds under such definitive agreement(s) having been fulfilled or waived (as the case may be) in accordance with the terms thereof (save for the condition relating to the satisfaction or waiver of the conditions precedent under the ORIX Subscription Agreement and such other conditions which may only be fulfilled upon completion of the ORIX Subscription);
- (e) the definitive agreements with respect to the amendments of the instruments or documents governing each Relevant CB, where applicable, to allow the redemption of such Relevant CB before their final maturity date, in each case in form and substance satisfactory to ORIX and the Company, having been entered into between the Company and such holders of the Relevant CB, and the conditions precedent to such early redemption having been fulfilled or waived (as the case may be) in accordance with the terms thereof (save for the condition relating to the satisfaction or waiver of the conditions precedent under the ORIX Subscription Agreement and such other conditions which may only be fulfilled upon completion of the ORIX Subscription);
- (f) the investment committee of ORIX having approved the ORIX Subscription;

- (g) ORIX having completed its business, accounting, financial, legal, technical and environmental due diligence on the Group with results satisfactory to ORIX as determined by ORIX in its sole discretion;
- (h) the CM Subscription Agreement and NEX Subscription Agreement having been entered into by and among the Company and CMNEG and NEX, respectively, in form and substance satisfactory to ORIX, and the conditions precedent to the completion of each of the CM Subscription Agreement and NEX Subscription Agreement having been fulfilled or waived (as the case may be) in accordance with the terms thereof;
- (i) all the required approvals, authorisations, consents having been obtained from and all the required registrations and filing having been completed with (if applicable) the governmental authorities or regulatory bodies or any relevant third party in connection with the transactions contemplated under the ORIX Subscription Agreement;
- (j) the Company's warranties remaining true, accurate and not misleading in each case in all material respects at any time between the date of the ORIX Subscription Agreement and the date of completion of the ORIX Subscription (both dates inclusive) and as if made at such time;
- (k) the ORIX's warranties remaining true, accurate and not misleading in each case in all material respects at any time between the date of the ORIX Subscription Agreement and the date of completion of the ORIX Subscription (both dates inclusive) and as if made on the date of completion of the ORIX Subscription;
- (l) the completion of the issue of the Corporate Bonds in accordance with the relevant definitive agreements;
- (m) the Escrow Agreement having been entered into by and among the Company, ORIX and the Escrow Agent and the Escrow Account having been set up in accordance with the terms of the Escrow Agreement;
- (n) if definitive agreements with respect to the Syndication Loan are entered into in accordance with condition precedent (d) above, the draw-down of the Syndication Loan in accordance with such definitive agreements occurring prior to or simultaneously with the completion of the ORIX Subscription;
- (o) ORIX having deposited the full amount of the aggregate consideration payable in respect of the ORIX Subscription into the Escrow Account (the "**Escrow Deposit**") in accordance with the ORIX Subscription Agreement; and

- (p) subject to the confirmation by ORIX that all the other conditions precedent under the ORIX Subscription Agreement having been fulfilled to its satisfaction or being waived (as the case may be), the Company having delivered the respective unconditional and irrevocable notices of early redemption (each an “**Early Redemption Notice**”) to the holders of the Relevant CB outstanding on the date of completion of the ORIX Subscription.

In respect of the condition precedent set out in item (d) above, ORIX undertakes to the Company that it shall at its own expenses, and shall procure its affiliates to, use its reasonable endeavours to identify, introduce, engage and liaise with such institutions and persons to participate in the syndicate of lenders of the Syndication Loan and subscribe for the Corporate Bonds with a view to raising the amount as referred to in such condition precedent.

ORIX may at its sole discretion waive the conditions precedent (d), (e), (f), (g), (h), (i), (j), (l), (m), (n) and (p) above by written notice to the Company. The Company may at its sole discretion waive the conditions precedent (o) and (k) above by written notice to ORIX.

Termination

In the event that any of the conditions precedent under the ORIX Subscription Agreement is not fulfilled (or waived in accordance with the terms of the ORIX Subscription Agreement) at or before 5:00 p.m. on 31 December 2016 (or such other time and/or date as the Company and ORIX shall mutually agree), the ORIX Subscription Agreement may be terminated by either party by notice in writing to the other party and all obligations of the Company and ORIX under the ORIX Subscription Agreement shall cease and determine and neither the Company nor ORIX shall have any claim against the other in respect of any matter arising out of or in connection with the ORIX Subscription Agreement except for any antecedent breach of any obligation and any liabilities thereunder, and upon termination, the parties shall cause the Escrow Agent to refund the Escrow Deposit to ORIX in full within three (3) business days after such termination.

Completion

Completion of the ORIX Subscription will take place after fulfillment (or waiver as the case may be) of the conditions precedent (save for delivery of the Early Redemption Notice as set out in condition precedent (p) above). The Company will issue and deliver an Early Redemption Notice to each holder of the Relevant CB in accordance with the terms in the instruments or agreements of the Relevant CB on the completion date of the ORIX Subscription. Upon receipt by the Escrow Agent of a certified true copy of each Early Redemption Notice delivered by the Company to ORIX and the Escrow Agent, the Company and ORIX shall cause the Escrow Agent to release the Escrow Deposit from the Escrow Account to a bank account designated by the Company without any further instruction, direction or confirmation of ORIX.

Completion of the ORIX Subscription shall take place simultaneously with the CM Subscription and the NEX Subscription, subject to fulfillment (or waiver) of the respective conditions precedent.

Future Strategic Collaboration

Subject to completion taking place, ORIX agrees and undertakes to be a strategic long-term partner of the Company, and use its reasonable best efforts to implement, or procure its affiliates to implement, the strategic collaboration with the Group with respect to solar power plants after completion of the ORIX Subscription.

Right to nominate a Director and a committee member

The Company agreed under the ORIX Subscription Agreement that as long as the total number of Shares held by ORIX and its affiliates collectively is equal to or exceeds 5% of the total issued Shares, ORIX and/or its assignee shall have the right to nominate (i) as available to ORIX, one candidate with such appropriate qualification and experience to serve as a member of the Board to be appointed as a non-executive Director (“**Subscriber Director**”) who, upon being appointed to the Board, shall also be appointed as a member of the audit committee, remuneration committee, nomination committee, risk control committee and such other committees of the Board as the Board may form or authorise from time to time on and after the date of completion of the ORIX Subscription; and (ii) as available to ORIX or its assignee, one candidate with such appropriate qualification and experience to serve as a member of the strategy committee to be established by the Board after the date of completion of the ORIX Subscription (the “**Subscriber Observer**”).

Upon appointment to the Board, the Subscriber Director shall enter into a service agreement with the Company in form and substance satisfactory to the Company and ORIX for a term of not more than three years. ORIX undertakes to use its reasonable best effort to procure the Subscriber Director to observe his/her fiduciary duties as a Director.

The Company further agreed that, after being appointed, the Subscriber Observer will be invited to attend the meetings of the Board (but not other committees of the Board except the strategy committee) subject to such requirements under the applicable laws and regulations and the bye-laws of the Company from time to time provided always that the Subscriber Observer shall enter into a confidentiality agreement with the Company in form and substance satisfactory to the Company and ORIX before the Subscriber Observer is invited to attend any meeting of the Board. The Subscriber Observer shall serve as a mere observer in all meetings of the Board and shall not have the right to vote, express views or opinions nor shall the Subscriber Observer be counted towards the quorum of the meetings of the Board.

Information rights

The Subscriber Director shall have reasonable access to such information as the other Directors have customarily had access.

Participation rights

In the event that the Company issues or offers to issue any Shares or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for Shares for cash (except for any issuances pursuant to the Warrants, convertible bonds or options issued by the Company and outstanding as of the date of the ORIX Subscription Agreement, or any employee option plans adopted or to be adopted by the Company from time to time) and so long as the total number of Shares held by ORIX and its affiliates collectively is equal to or exceeds 10% of the total issued Shares at the date of the proposed issuance, ORIX shall have the right to subscribe for, and/or designate any of its affiliates to subscribe for a pro-rata portion of such equity securities on the same terms and conditions as being proposed so as to enable ORIX to maintain its proportional interest in the Company as at the completion date of the ORIX Subscription.

Assignment

ORIX may assign (in whole or in part) any of its rights under the ORIX Subscription Agreement to any of its affiliates (including ACP) by written notice to the Company, and such assignee may enforce (or any portion thereof) so assigned on the same terms and conditions as may be exercised by ORIX.

(B) The CM Subscription Agreement

Date

20 September 2016

Issuer

the Company

Subscriber

CMNEG

As at the date of this announcement, CMNEG, together with the parties acting in concert with it, holds 1,169,582,329 Shares, representing approximately 24.17% of issued share capital of the Company, and accordingly is a substantial Shareholder.

CMNEG has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) a maximum of 756,793,945 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share; and (ii) a maximum of 362,948,274 Warrants at the Warrant Issue Price of HK\$0.000775 per Warrant, which will entitle the Warrantholder(s) to subscribe in cash for one Warrant Share at the Warrant Subscription Price of HK\$0.646 (subject to adjustment) during the Warrant Exercise Period.

Pursuant to the CM Subscription Agreement, the number of Subscription Shares to be subscribed by CMNEG, together with all of the Shares held by CMNEG and/or the parties acting in concert with it shall not exceed 29.90% of the then total issued Shares (as enlarged by the issue of the Subscription Shares). The final number of Subscription Shares to be subscribed by CMNEG will be adjusted downward if completion of the ORIX Subscription, CM Subscription and NEX Subscription does not take place on the same date.

The 756,793,945 Subscription Shares to be subscribed by CMNEG represent approximately 15.64% of the issued share capital of the Company as at the date of this announcement, and approximately 10.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Assuming full exercise of the subscription rights attaching to the Warrants at the Warrant Subscription Price, a total of 362,948,274 Warrant Shares will be allotted and issued to CMNEG, representing (i) approximately 7.5% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 6.98% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares under the CM Subscription Agreement; and (iii) approximately 6.09% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Warrant Shares under the CM Subscription Agreement.

Conditions precedent of the CM Subscription Agreement

Completion of the CM Subscription is conditional upon fulfillment of the following conditions precedent:

- (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 Subscription Shares and Warrant 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 CMNEG objects) for the listing of and permission to deal in the Subscription Shares and Warrant Shares to be issued by the Company pursuant to the CM Subscription Agreement; and
- (c) CMNEG having obtained all necessary internal approvals in respect of the transactions contemplated under the CM Subscription Agreement.

In the event that any of the above conditions precedent is not fulfilled on or before 5:00 p.m. on 31 December 2016 (or such later date as may be agreed between the Company and CMNEG), the CM Subscription Agreement will terminate and all obligations of the Company and CMNEG under the CM Subscription Agreement shall cease and determine and neither the Company nor CMNEG shall have any claim against the other in respect of any matter arising out of or in connection with the CM Subscription Agreement except for any antecedent breach of any obligation and any liabilities thereunder.

Undertaking

The Subscription Shares to be subscribed by CMNEG are not subject to any lock-up under the terms of the CM Subscription Agreement. However, CMNEG undertakes to the Company that it, together with the parties acting in concert with it, shall remain being the single largest Shareholder within three (3) years after completion.

Completion

Subject to fulfillment of the conditions precedent, completion of the CM Subscription will take place on a date to be agreed between the Company and CMNEG in writing, but no later than 31 December 2016 or such later date as may be agreed by the Company and CMNEG in writing.

(C) The NEX Subscription Agreement

Date

20 September 2016

Issuer

the Company

Subscriber

NEX

As at the date of this announcement, NEX, together with its wholly-owned subsidiaries, holds 263,553,621 Shares, representing approximately 5.45% of the issued share capital of the Company. NEX is a party acting in concert with CMNEG according to Section 317 of the SFO.

NEX has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a maximum of 68,799,449 Subscription Shares at the Share Subscription Price of HK\$0.5814 per Subscription Share.

Pursuant to the NEX Subscription Agreement, the number of Subscription Shares to be subscribed by NEX, together with all of the Shares held by NEX and/or the parties acting in concert with it shall not exceed 29.90% of the total then issued Shares (as enlarged by the issue of Subscription Shares). The final number of Subscription Shares to be subscribed by NEX will be adjusted downward if completion of the ORIX Subscription, CM Subscription and NEX Subscription does not take place on the same date.

The 68,799,449 Subscription Shares represent approximately 1.42% of the issued share capital of the Company as at the date of this announcement, and approximately 0.97% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares to be subscribed by NEX are not subject to any lock-up or other disposal restriction under the terms of the NEX Subscription Agreement.

Conditions precedent of the NEX Subscription Agreement

Completion of the NEX Subscription is conditional upon fulfillment of the following conditions precedents:

- (a) the passing by the requisite majority of the Shareholders/Independent Shareholders (as the case may be) 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 NEX Subscription Agreement, including without limitation to the specific mandate for the allotment and issue of the 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 NEX objects) for the listing of and permission to deal in the Subscription Shares to be issued by the Company pursuant to the NEX Subscription Agreement; and
- (c) NEX having obtained all necessary internal approvals in respect of the transactions contemplated under the NEX Subscription Agreement.

In the event that any of the above conditions precedent is not fulfilled on or before 5:00 p.m. on 31 December 2016 (or such later date as may be agreed between the Company and NEX), the NEX Subscription Agreement will terminate and all obligations of the Company and NEX under the NEX Subscription Agreement shall cease and determine and neither the Company nor NEX shall have any claim against the other in respect of any matter arising out of or in connection with the NEX Subscription Agreement except for any antecedent breach of any obligation and any liabilities thereunder.

Completion

Subject to fulfillment of the conditions precedent, completion of the NEX Subscription will take place on a date to be agreed between the Company and NEX in writing, but no later than 31 December 2016 or such later date as may be agreed by the Company and NEX in writing.

(D) Share Subscription Price of the Subscription Shares

The Share Subscription Price of HK\$0.5814 was determined after arm's length negotiations between the Company and the respective subscribers, having considered the market condition, the recent share price performance of the Share and liquidity of the Shares. The Share Subscription Price represents:

- (a) a discount of approximately 20.36% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 18.80% to the average closing price of approximately HK\$0.716 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the Last Trading Day; and
- (c) a discount of approximately 19.36% to the average closing price of HK\$0.721 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to the Last Trading Day.

(E) Principal terms of the Warrants

The principal terms of the Warrants are summarised below.

Number of Warrants

Warrants to be issued to ORIX: 508,127,584 Warrants;

Warrant to be issued to CMNEG: 362,948,274 Warrants

Each Warrant carries the right to subscribe for one (1) Warrant Share at the Warrant Subscription Price.

Warrant Issue price

HK\$0.000775 per Warrant

Warrant Subscription Price

HK\$0.646, being the Warrant Subscription Price per Warrant Share but subject to adjustment. The Warrant Subscription Price was determined after arm's length negotiations between the Company and respective Subscribers, having considered the market condition, the recent share price performance of the Shares and liquidity of the Shares. The Warrant Subscription Price represents:

- (a) a discount of approximately 11.5% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 9.78% to the average closing price of approximately HK\$0.716 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the Last Trading Day; and
- (c) a discount of approximately 10.4% to the average closing price of HK\$0.721 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to the Last Trading Day.

The aggregate of the Warrant Issue Price and the Warrant Subscription Price is HK\$0.646775, representing:

- (a) a discount of approximately 11.4% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 9.67% to the average closing price of approximately HK\$0.716 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the Last Trading Day; and
- (c) a discount of approximately 10.29% to the average closing price of HK\$0.721 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to the Last Trading Day.

Adjustments to the Warrant Subscription Price

The Warrant Subscription Price is subject to adjustments in accordance with the terms and conditions set out in the Warrant Instrument if any of the following specific events occurs:

- (a) where there is an alteration to the nominal amount of a Share by reason of any consolidation, subdivision or reclassification;

- (b) where the Company issues (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund) including Shares paid up out of distributable profits or reserves and/or share premium account;
- (c) where the Company makes (whether on a reduction of capital or otherwise except pursuant to any purchase by the Company of its own Shares which is permitted by law and by the rules of the Stock Exchange and in accordance with the provisions of the Company's memorandum of association and bye-laws) any capital distribution (including distributions in cash or specie, and any dividend charged or provided for in the accounts for any financial period) to the Shareholders (in their capacity as such) or grants to the Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (d) where the Company offers Shareholders new Shares for subscription by way of rights, or grants to the Shareholders any options or warrants to subscribe for new Shares at a price per new Share which is less than 90% of the current market price (as defined in the Warrant Instrument) as at the date of the announcement of the terms of the offer or grant (whether or not such offer or grant is subject to the approval of the Shareholders or other persons);
- (e) where the Company or any other company issues any securities (including any rights, options and warrants) which by their terms are convertible into or exchangeable for or carrying rights of conversion or subscription or purchase for new Shares, and the total effective consideration (as defined in the Warrant Instrument) per new Share initially receivable for such securities is less than 90% of the current market price (as defined in the Warrant Instrument) as at the date of the announcement of the terms of issue of such securities (whether or not such offer or grant is subject to the approval of the Shareholders or other persons);
- (f) where the rights of conversion or exchange attaching to any such securities as are mentioned in sub-paragraph (e) above are modified so that the total effective consideration (as defined in the Warrant Instrument) per new Share initially receivable for such securities shall be less than 90% of the current market price (as defined in the Warrant Instrument) as at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription;
or
- (g) where the Company issues any Shares at a price per Share which is less than 90% of the current market price as at the date of the announcement of the terms of such issue.

Notwithstanding the specific adjustment events set out in the Warrant Instrument, in any circumstances where the Directors or the Warrantholders pursuant to a special resolution shall consider that an adjustment to the Warrant Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Warrant Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions set out in the Warrant Instrument or that such adjustment shall take effect on a different date or at a different time from that provided under the said provisions, the Company may appoint an approved merchant bank or the auditors of the Company (the appointment of which is subject to the approval of the Warrantholders by special resolution) to consider whether the adjustment to be made (or the absence of adjustment) would not or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the auditors of the Company shall consider this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment, in such manner and/or take effect on a different date and/or time as shall be certified by such approved bank or the auditors of the Company (as the case may be) to be in its opinion appropriate.

Whenever the Warrant Subscription Price is adjusted, the Company will give notice to the Warrantholders and will make available for inspection by the Warrantholders, among other things, a signed certificate of either an approved merchant bank or the auditors of the Company (the appointment of which is subject to the approval of the Warrantholders by special resolution) and a certificate signed by a Director setting out brief particulars of the adjustment to the Warrant Subscription Price. The Company will make announcement(s) on adjustment of the Warrant Subscription Price.

Exercise period and restrictions

The exercise period shall be three years from the date of issue of the Warrants.

The subscription right shall only be exercised to the extent it will not result in (a) any mandatory offer obligation under Rule 26.1 of the Takeovers Code being triggered by the Warrantholder, together with parties acting in concert (as defined in the Takeovers Code) with them; or (b) the Company being in breach of any provision of the Listing Rules, including the requirement to maintain any prescribed minimum percentage of the issued share capital of the Company held by the public; or (c) change of the largest Shareholder.

Ranking

The Warrant Shares, when fully paid and allotted, will rank *pari passu* in all respects with the Shares then in issue.

Voting rights

Other than meeting of holders of Warrants, the Warrantholders shall not be entitled to attend or vote at the general meetings of the Company by reason only of being the Warrantholders.

Listing

No application will be made by the Company for the listing of, and permission to deal in, the Warrants on the Stock Exchange or other stock exchange.

Transferability

The Warrants are transferable, provided that (i) no Warrants may be transferred to any person who (a) is connected person (as defined in the Listing Rules) or is not independent of the Company (and its subsidiaries) or its connected person (as defined in the Listing Rules), unless otherwise permitted with the prior written consent of the Company; or (b) is a party acting in concert (as defined in the Takeovers Code) with any person(s) or Shareholder(s) to the effect that any transfer of the Warrants to such transferee(s) and/or exercise by such transferee(s) of any subscription right attaching to the Warrant(s) subject to such transfer will trigger the mandatory offer obligation under Rule 26.1 of the Takeovers Code; or (ii) any transfer of Warrants will not result in change of largest Shareholder.

(F) Specific mandate for issue of the Subscription Shares and Warrants Shares and Listing application

The Subscription Shares and the Warrant Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Warrant Shares.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company:

- (i) as at the date of this announcement;
- (ii) immediately after the completion of the Share Subscriptions;
- (iii) immediately after the completion of the Share Subscriptions and the full exercise of the subscription rights attaching to the Warrants; and
- (iv) immediately after the completion of the Share Subscriptions and the full exercise of the subscription/conversion rights attaching to the Warrants, the Outstanding Convertible Bonds and the Outstanding Options at their respective initial subscription/conversion prices,

assuming that there is no other change in the issued share capital of the Company from the date of this announcement and up to the later of the date of completion of the ORIX Subscription, CM Subscription and NEX Subscription are set out below:

	(i)		(ii)		(iii)		(iv)	
	Existing shareholding as at the date of this announcement		Shareholding immediately after the completion of the Share Subscriptions		Shareholding immediately after the completion of the Share Subscriptions and the full exercise of subscription rights attaching to the Warrants		Shareholding immediately after the completion of the Share Subscriptions and the full exercise of subscription/ conversion rights attaching to the Warrants, the Outstanding Convertible Bonds and the Outstanding Options at their respective initial subscription/ conversion prices	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
CMNEG and parties acting in concert with it								
CMNEG (Note 1)	579,944,250	11.98	1,336,738,195	18.90	1,699,686,469	21.40	2,139,722,469	17.78
Snow Hill Developments Limited (“Snow Hill”) (Note 2)	103,111,436	2.13	103,111,436	1.46	103,111,436	1.30	103,111,436	0.86
Magicgrand Group Limited (“Magicgrand”) (Note 3)	141,230,827	2.92	141,230,827	2.00	141,230,827	1.78	141,230,827	1.17
Pairing Venture Limited (Note 4)	18,173,487	0.38	18,173,487	0.26	18,173,487	0.23	18,173,487	0.15
NEX (Note 5)	263,553,621	5.45	332,353,070	4.70	332,353,070	4.18	365,646,070	3.04
Sino Arena Investments Limited	63,568,708	1.31	63,568,708	0.90	63,568,708	0.80	63,568,708	0.53
Sub-total:	1,169,582,329	24.17	1,995,175,723	28.21	2,358,123,997	29.69	2,831,452,997	23.53
Other associate of China Merchants Group Limited* (招商局集團有限公司) (“China Merchants”)								
China Merchants Fund Management Limited* (招商基金管理有限公司)	–	–	–	–	–	–	509,517,668	4.23
Directors	15,277,600	0.32	15,277,600	0.22	15,277,600	0.19	57,277,600	0.48
ORIX	–	–	1,407,385,568	19.90	1,915,513,152	24.11	1,915,513,152	15.92
Other Shareholders	3,654,450,396	75.51	3,654,450,396	51.67	3,654,450,396	46.01	6,722,023,488	55.84
Total:	4,839,310,325	100.00	7,072,289,287	100.00	7,943,365,145	100.00	12,035,784,905	100.00

Notes:

1. CMNEG is indirectly owned as to 79.36% by China Merchants and directly owned as to 20.64% by Magicgrand.
2. Snow Hill is beneficially wholly owned by China Merchants.
3. Magicgrand is beneficially wholly owned by Mr. Li, Alan, an executive Director and chief executive officer of the Company.
4. Pairing Venture Limited is directly wholly owned by Mr. Li, Alan, an executive Director and chief executive officer of the Company.
5. NEX is owned as to 9.9% by Magicgrand, as to 8.13% by Snow Hill and as to 81.97% by other third parties. The number of Shares held by NEX as disclosed in the table includes Shares owned by two wholly-owned subsidiaries of NEX.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcements	Transaction	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
18 December 2015 and 29 December 2015	issue of 3-year convertible bonds in the principal amount of US\$100,000,000	Approximately HK\$774,500,000	as general working capital for the acquisition, development, construction, maintenance and operation of solar power plant(s).	Approximately 82% of the proceeds have been used in connection with new solar power plants in Inner Mongolia, the PRC; the remaining 18% will be used as intended
19 August 2016 and 26 August 2016	issue of 3-year convertible bonds in the principal amount of US\$50,000,000	Approximately HK\$364,050,000	as general working capital and/or financing capital for expansion of business including the acquisition and operation of the potential solar power plant(s).	To be used as intended

Save as disclosed above, the Company has not conducted any other equity fund raising exercise in the past twelve months before the date of this announcement.

INFORMATION ON ORIX, CMNEG AND NEX

Based on the information provided by ORIX, ORIX is incorporated in Hong Kong, whose principal business is equity investment, fund operation and management, and lending. ORIX is a wholly-owned subsidiary of ORIX Corporation (Tokyo Stock Exchange: 8591; New York Stock Exchange: IX). ORIX Corporation is an opportunistic, diversified, innovation-driven global powerhouse with a proven track record of profitability. Established in 1964, ORIX Corporation at present operates a diverse portfolio of businesses in the operations, financial services, and investment spaces. ORIX Corporation's highly complementary business activities span industries including: energy, private equity, infrastructure, automotive, ship and aircraft, real estate and retail financial services. ORIX Corporation has also spread its business globally by establishing locations in a total of 37 countries and regions across the world. Through its business activities, ORIX Corporation has long been committed to corporate citizenship and environmental sustainability.

In the field of environment and energy, from its first investment in a wind power generation business in 1995, ORIX Corporation has been contributing to the prevalence of renewable energy including solar power, biomass, geothermal, wind, and other renewable energy sources. Capitalizing on know-how cultivated in the environment and energy-related business in Japan, ORIX Corporation is aggressively engaging in this business overseas. ORIX Corporation is one of the largest corporates in the Japanese solar power generation market with approximately 900 MW multi-location portfolio.

CNMEG is a limited liability company incorporated in the BVI on 5 May 2004. CMNEG is an indirect non-wholly-owned subsidiary of China Merchants Group, a leading state-owned conglomerate in China. CMNEG is an investment holding company which is engaged in the renewable energy business through its subsidiaries. As at the date of this announcement, CMNEG, together with the parties acting in concert with it, holds 1,169,582,329 Shares, representing approximately 24.17% of issued share capital of the Company and hence a substantial Shareholder.

NEX is a limited liability company incorporated in BVI on 19 September 1995 and continued in the Cayman Islands. NEX is principally engaged in trading in solar power plants and new energy projects and provision of comprehensive range of services for new energy industry. As at the date of this announcement, NEX, together with its wholly-owned subsidiaries, holds 263,553,621 Shares, representing approximately 5.45% of the issued share capital of the Company. NEX is a party acting in concert with CMNEG according to Section 317 of the SFO.

INFORMATION ON THE COMPANY AND REASONS FOR THE SUBSCRIPTIONS

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

It is the Group's strategy to identify suitable investment opportunities to acquire solar power plants with good prospects and potential for stable returns. The Company and ORIX agree that there may be potential future strategic collaborations between the Company and ORIX and/or their respective affiliates in the following areas:

- (i) acquisitions of overseas renewable projects;
- (ii) potential future transfer of renewable assets from ORIX to the Company; and
- (iii) technical and operational experiences sharing,

and when the Company and ORIX both consider that suitable opportunities arise, the Company and ORIX will and/or, their respective affiliates will enter into good faith negotiations for the purpose of exploring the possibility and feasibility of such potential future strategic collaborations.

It is expected that the aggregate gross proceeds from the Share Subscriptions and Warrant Subscriptions will be approximately HK\$1,298.9 million. The estimated net proceeds from the Share Subscriptions, after the deduction of relevant costs and expenses, will be approximately HK\$1,259 million. The net price per Subscription Share is approximately HK\$0.5638.

The estimated net proceeds from the Share Subscriptions, Warrant Subscription and the Syndication Loan and/or issuance of Corporate Bonds, will be used exclusively for the following corporate purposes unless otherwise agreed in writing by ORIX:

- (a) firstly to redeem the Relevant CB in accordance with such terms as agreed between the Company and the relevant holders of the Relevant CB provided that the amount to be used towards this purpose shall not exceed US\$340,000,000 (equivalent to approximately HK\$2,635,000,000);
- (b) secondly to use the remaining amount from such proceeds (if any) after due performance of the Company's obligations under sub-paragraph (a) above to redeem the Power Revenue Bonds provided always that (i) the remaining amount shall be sufficient to enable the Company to fully redeem all outstanding Power Revenue Bonds; and (ii) the holder of Power Revenue Bonds has not exercised its right of conversion under such Power Revenue Bonds by the last day of the six (6) months period following the date of issue of the Power Revenue Bonds;
- (c) thirdly to use the remaining amount from such proceeds (if any) after due performance of the Company's obligations under sub-paragraphs (a) and (b) above to redeem all or a portion of the Huaqing Bonds; and
- (d) lastly to use the remaining amount from such proceeds (if any) after due performance of the Company's obligations under sub-paragraphs (a), (b) and (c) above to finance the development of the future business of the Company.

Assuming full exercise of the subscription rights attaching to the Warrants, it is expected that a further fund of HK\$562.7 million will be raised. Taking into account the costs and expenses of the issue of the Warrant Shares, the estimated net proceeds from the subscription of Warrant Shares will be approximately HK\$562.7 million (with a net issue price of approximately HK\$0.646 per Warrant Share). It is expected that such additional funds will be utilised by the Group as funds for future development of the existing business of the Group.

The Directors consider that the Share Subscriptions, Warrant Subscription and the Syndication Loan and/or issuance of the Corporate Bonds as contemplated under the ORIX Subscription Agreement will provide the Company with adequate funds to redeem the Relevant CB which will strengthen the capital base and financial position of the Company, while reducing the Company's financial expenses and lower its financial gearing level and in turn enhancing the Company's market competitiveness.

The Directors (including the independent non-executive Directors) consider that the ORIX Subscription Agreement and NEX Subscription Agreement and the transactions contemplated thereunder, including the Share Subscription Price, the Warrant Issue Price and the Warrant Subscription Price (as the case may be), are on normal commercial terms determined after arm's length negotiation between the Company and ORIX and NEX, respectively, and are fair and reasonable and in the interests of the Company and the Shareholders as whole.

The Directors (excluding the independent non-executive Directors who will give their view on the CM Subscription after taking into account of the advice of the independent financial adviser) consider that the terms of the CM Subscription, including the Share Subscription Price, the Warrant Issue Price and the Warrant Subscription Price, to be fair and reasonable and in the interest of the Company and the Shareholders as a whole. Mr. Li, Alan, Mr. Lu Zhenwei and Mr. Tang Wenyong, who are directors of CMNEG, abstained from voting on the relevant resolutions to approve the CM Subscription Agreement. Mr. Lu Zhenwei, who is a director of NEX, has also abstained from voting on the relevant resolutions to approve the NEX Subscription Agreement. Save as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Subscription Agreements, and therefore none of the other Directors has abstained from voting on such Board resolutions.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CMNEG is a substantial Shareholder, and is therefore a connected person of the Company. Accordingly, the CM Subscription constitutes a connected transaction of the Company under Chapter 14A of 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. NEX is a party acting in concert with CMNEG according to Section 317 of the SFO. The Company will at the SGM seek approval for, among other things, the Subscription Agreements and the transactions contemplated thereunder. CMNEG, NEX and their respective associates are required to abstain from voting in relation to the CM Subscription Agreement and the NEX Subscription Agreement and the transactions contemplated thereunder.

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, 5,000,000 Shares are issuable to a third party as consideration for an acquisition as announced by the Company on 10 December 2015. The Company does not have other securities with subscription rights outstanding and not yet exercised. As at the date of this announcement, the issued share capital of the Company is 4,839,310,325 Shares, and accordingly the maximum number of 962,862,065 new Shares to be allotted and issued is in compliance with Rule 15.02(1) of the Listing Rules.

APPOINTMENT OF INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The independent board committee of the Company comprising all the independent non-executive Directors has been established to advise and give recommendations to the Independent Shareholders on the CM Subscription Agreement, the issue of the Subscription Shares and Warrants pursuant to the CM Subscription Agreement and the grant of the specific mandate for issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants to be issued under the CM Subscription Agreement.

Goldin Financial Limited has been appointed as the independent financial adviser to make recommendations to the independent board committee of the Company and the Independent Shareholders in respect of the Subscription Agreement, the issue of the Subscription Shares and Warrants pursuant to the CM Subscription Agreement and the grant of the specific mandate for the issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants to be issued under the CM Subscription Agreement.

SGM

An SGM will be convened and held to consider and, if thought fit, to approve the Subscription Agreements and the transactions contemplated thereunder, the issue of the Warrants and the grant of the specific mandate for issue of the Subscription Shares and the Warrant Shares upon exercise of the subscription rights attaching to the Warrants.

A circular containing, among other things, (a) further details of the Subscription Agreements, the Warrants, the specific mandate for the issue of the Subscription Shares and the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants, (b) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in respect of the CM Subscription Agreement and the transactions contemplated thereunder, (c) a letter of recommendation from the independent board committee to the Independent Shareholders in respect of the CM Subscription Agreement and the transactions contemplated thereunder, and (d) a notice to convene the SGM and a proxy form, will be despatched to the Shareholders in accordance with the Listing Rules on or around 28 October 2016 as more time is required to prepare the relevant information to be included in the circular as prescribed under the Listing Rules.

Details of the connected transaction of the Company will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

ADJUSTMENTS TO THE OUTSTANDING CONVERTIBLE BONDS

The conversion price and/or the number of Shares which may be issued upon conversion of the Outstanding Convertible Bonds of the Company may need to be adjusted as a result of the transactions contemplated under the Subscription Agreements. Further announcement will be made by the Company as and when necessary.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 21 September 2016 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 22 September 2016.

Completion of each of the ORIX Subscription, the CM Subscription and the NEX Subscription is conditional upon the satisfaction of the respective conditions precedent set out in this announcement. Accordingly, as the ORIX Subscription, the CM Subscription and/or the NEX Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“ACP”	Asia Climate Partners LP, an exempted limited partnership incorporated in the Cayman Islands, and includes any of its wholly-owned subsidiaries
“associate”	has the meaning ascribed thereto under the Listing Rules

“Board”	the board of Directors
“business day”	a day on which commercial banks in Hong Kong are open for general 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.
“BVI”	British Virgin Islands
“CMNEG”	China Merchants New Energy Group Limited, a company incorporated in the BVI with limited liability and a substantial Shareholder of the Company
“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Corporate Bonds”	such bonds which may be issued by the Company from time to time and used to redeem certain convertible bonds issued by the Company after the completion of the ORIX Subscription
“CM Subscription”	subscription by CMNEG of a maximum of 756,793,945 Subscription Shares and a maximum of 362,948,274 Warrants entitling the Warrantholder(s) to subscribe for up to 362,948,274 Warrant Shares pursuant to the CM Subscription Agreement
“CM Subscription Agreement”	the subscription agreement dated 20 September 2016 and entered into between the Company and CMNEG in respect of the CM Subscription
“Directors”	the directors of the Company
“Early Redemption Notice”	has the meaning ascribed thereto under the section headed “Conditions precedent of the ORIX Subscription Agreement” of this announcement
“Escrow Account”	such bank account to be set up for the purpose of the transaction contemplated under the ORIX Subscription Agreement pursuant to the terms of the Escrow Agreement

“Escrow Agent”	a third party agent independent of each of the Company and ORIX to be jointly selected by the Company and ORIX for the purpose of setting up and the operation of the Escrow Account
“Escrow Agreement”	the definitive agreement to be entered into among the Company, ORIX and the Escrow Agent in connection with the ORIX Subscription Agreement in form and substance satisfactory to ORIX and the Company
“Escrow Deposit”	has the meaning ascribed thereto under the section headed “Conditions precedent of the ORIX Subscription Agreement” of this announcement
“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
“Huaqing Bonds”	the three year 6.75% convertible bonds, in the principal amount of US\$100,000,000, issued by the Company to Huaqing Solar Power Limited, with an initial conversion price of HK\$1.5928 as announced by the Company on 18 December 2015
“Independent Shareholders”	holders of Shares other than CMNEG and its concert parties and/or its associates
“Last Trading Day”	20 September 2016, being the date of the Subscription Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEX”	New Energy Exchange Limited (formerly known as Renewable Energy Trade Board Corporation), a company incorporated in the BVI and continued in the Cayman Islands with limited liability
“NEX Subscription”	subscription of a maximum of 68,799,449 Subscription Shares by NEX pursuant to the NEX Subscription Agreement
“NEX Subscription Agreement”	the subscription agreement dated 20 September 2016 and entered into between the Company and NEX in respect of the NEX Subscription

“Outstanding Convertible Bonds”

all the outstanding convertible bonds of the Company as of the date of this announcement:

- (a) the Series B convertible bonds of the Company due 2018 in the principal amount of HK\$759,920,000, which is convertible into a total of 759,920,000 Shares at the current conversion price of HK\$1.00 per Share (subject to adjustments)
- (b) the consolidated 5% secured guaranteed convertible bonds of the Company due 2016 in the principal amount of US\$120,000,000, which is convertible into a total of 581,250,000 Shares at the current conversion price of HK\$1.6 per Share (subject to adjustments)
- (c) the convertible bonds of the Company due 2018 issued on 27 December 2013 in the principal amount of HK\$232,959,339, which is convertible into a total of 145,599,586 Shares at the current conversion price of HK\$1.60 per Share (subject to adjustments)
- (d) the convertible bonds issued on 20 April 2015 in the principal amount of HK\$524,803,198.80, which is convertible into a total of 509,517,668 Shares at the current conversion price of HK\$1.03 per Share (subject to adjustments)
- (e) the convertible bonds issued on 29 April 2015 in the principal amount of US\$30,000,000, which is convertible into a total of 225,728,155 Shares at the current conversion price of HK\$1.03 per Share (subject to adjustments)
- (f) the convertible bonds issued on 3 June 2015 in the principal amount of US\$100,000,000, which is convertible into a total of 590,071,569 Shares at the current conversion price of HK\$1.3134 per Share (subject to adjustments)
- (g) the convertible bonds issued on 23 June 2015 in the principal amount of US\$15,000,000, which is convertible into a total of 112,864,077 Shares at the current conversion price of HK\$1.03 per Share (subject to adjustments)

- (h) the convertible bonds issued on 29 December 2015 in the principal amount of US\$100,000,000, which is convertible into a total of 486,564,540 Shares at the current conversion price of HK\$1.5928 per Share (subject to adjustments)
- (i) the convertible bonds issued on 26 August 2016 in the principal amount of US\$50,000,000, which is convertible into a total of 596,153,846 Shares at the current conversion price of HK\$0.65 per Share (subject to adjustments)

“ORIX”	ORIX Asia Capital Limited, a company incorporated in Hong Kong with limited liability
“ORIX Subscription”	subscription by ORIX of an aggregate of 1,407,385,568 Subscription Shares and an aggregate of 508,127,584 Warrants entitling the Warrantholder(s) to subscribe for up to 508,127,584 Warrant Shares pursuant to the ORIX Subscription Agreement
“ORIX Subscription Agreement”	the subscription agreement dated 20 September 2016 and entered into between the Company and ORIX in respect of the ORIX Subscription
“Outstanding Options”	all of the outstanding options of the Company as of the date of this announcement: (a) 49,700,000 Shares to be issued pursuant to the share options granted on 8 January 2015 (b) 35,050,319 Shares to be issued pursuant to the share options granted on 28 January 2016
“Power Revenue Bonds”	the three year 6.5% secured convertible bonds, in an aggregate principal amount of US\$50,000,000, issued by the Company to Power Revenue Limited, a company incorporated in the BVI and an indirect non-wholly owned subsidiary of China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司), with an initial conversion of HK\$0.65 as announced by the Company on 19 August 2016
“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

“Relevant CB”	such existing convertible bonds issued by the Company with an initial conversion price equal to or below HK\$1.3134 as outstanding on the date of the completion of the ORIX Subscription (but excluding the Power Revenue Bonds and the Huaqing Bonds)
“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 Subscription Agreements and the transactions contemplated thereunder; and the grant of the specific mandate for the allotment and issuance of the Subscription Shares and Warrant Shares
“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
“Share Subscriptions”	the subscription for new Shares pursuant to the Subscription Agreements
“Share Subscription Price”	the subscription price of HK\$0.5814 per Subscription Share
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber Director”	has the meaning ascribed thereto under the section headed “Right to nominate a Director and a committee member” of this announcement
“Subscriber Observer”	has the meaning ascribed thereto under the section headed “Right to nominate a Director and a committee member” of this announcement
“Subscribers”	ORIX and CMNEG, being the subscribers for the Warrants

“Subscription Agreements”	the ORIX Subscription Agreement, the CM Subscription Agreement and the NEX Subscription Agreement
“Subscription Shares”	the new Shares to be subscribed by ORIX, CMNEG and NEX under the respective Subscription Agreements and, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of allotment and issue of the Subscription Shares
“substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Syndication Loan”	such loan facilities which may be obtained by the Company from one or more lenders or financiers for the purpose of redemption of certain convertible bonds issued by the Company after the completion of the ORIX Subscription
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Warrantholder(s)”	in relation to any Warrant, the person or persons who is or are for the time being registered in the register of warrant holder(s) as the holder or joint holders of such Warrant
“Warrants”	a maximum of 871,075,858 warrants to be issued by the Company at the Warrant Issue Price, each entitles the Warrantholder(s) to subscribe for one Warrant Share at the Warrant Subscription Price at any time during the Warrant Exercise Period
“Warrant Instrument”	the deed to be executed by the Company which will constitute the Warrants and contain the terms and conditions of the Warrants
“Warrant Issue Price”	HK\$0.000775 per Warrant to be issued pursuant to Warrant Subscription
“Warrant Shares”	up to 871,075,858 Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“Warrant Exercise Period”	the period of three years commencing on the date of issue of the Warrants
“Warrant Subscriptions”	the subscription of the Warrants by the Subscribers pursuant to the Subscription Agreements

“Warrant Subscription Price”	an initial subscription price of HK\$0.646 per Warrant Share (subject to adjustment) at which a Warrantholder may subscribe for the Warrant Shares
“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, 21 September 2016

In this announcement, the conversion of US\$ into HK\$ has been made at a rate of US\$1:HK\$7.75. Such conversion should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and Chief Executive Officer), Mr. Lu Zhen Wei, 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.