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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 20MW SOLAR POWER PLANT PROJECT IN 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 Wujiaqu Lishang Photovoltaics Power Co., Ltd.* (五家渠利商光伏電力有限公司) (“**Wujiaqu Lishang**”), which owns and operates a 20MW grid-connected solar power plant located in Wujiaqu, Xinjiang Uyghur Autonomous Region, the PRC. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL AGREEMENTS

On 5 April 2016, UP (Changzhou), a wholly-owned subsidiary of the Company, Changzhou New Light New Energy Limited* (常州新光新能源有限公司) (“**Changzhou New Light**”), 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 Wujiaqu 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 Wujiaqu Acquisition Agreement were assigned to Changzhou New Light for internal restructuring purpose;
- (b) there is no adjustment to the total consideration and it is confirmed that the consideration for the equity interest of Wujiaqu Lishang will be RMB40,000,000 (which is equivalent to the paid-up capital of Wujiaqu Lishang and had been satisfied in full by the pre-payment made pursuant to the original Wujiaqu Acquisition Agreement) and the total amount of investment for Wujiaqu Lishang to be assumed by Changzhou New Light upon completion will not exceed RMB178,000,000 (inclusive of the equity consideration); and

- (c) the Seller agreed to provide a guarantee on electricity generation for a period of five years on terms set forth in an electricity generation guarantee agreement (the “**Electricity Generation Guarantee Agreement**”).

The entering into of the Supplemental Agreements was the results of further arms’ length negotiation between the parties after the execution of the Wujiaqu Acquisition Agreement and 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 Wujiaqu Acquisition Agreement remain in full force and effect.

GUARANTEE ON ELECTRICITY GENERATION

On the same day, the Seller and Changzhou New Light entered into the Electricity Generation Guarantee Agreement, whereby the Seller guarantees and warrants to Changzhou New Light that (i) Wujiaqu Lishang shall have secured a feed-in tariff of RMB0.95 per KWh; and (ii) for a term of five years starting from 1 April 2016 and expiring on 31 March 2021, Wujiaqu Lishang should meet the guaranteed annual volume of grid-connected electricity generation as set out in the table below:

Year	1st year	2nd year	3rd year	4th year	5th year
Guaranteed electricity generation (10,000KWh)	3030.16	3005.91872	2983.4708	2960.2808	2937.4

Subject to the terms and conditions of the Electricity Generation Guarantee Agreement, the Seller will pay any shortfall to Changzhou New Light if the actual annual volume of electricity generation of Wujiaqu Lishang fails to meet the guaranteed annual volume of electricity generation, except where the shortfall is due to curtailment of electricity in Xinjiang. The shortfall in a year can be set off by the excess volume of electricity generated in the previous year.

Completion of the Acquisition is expected to take place within 15 business days, and whereupon, Wujiaqu Lishang will become a wholly-owned subsidiary of the Company.

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

Hong Kong, 5 April 2016

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 purposes only