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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)

ANNOUNCEMENT ON LEGAL PROCEEDINGS CONCERNING PROPOSED ACQUISITION OF 930MW SOLAR POWER PLANT PROJECTS

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) by United Photovoltaics Group Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) in connection with an arbitration proceeding brought in respect of, among others, the potential acquisition from 海潤光伏科技股份有限公司 (Hareon Solar Technology Company Limited*) (“**Hareon**”) of certain on-grid solar power plant projects in the People’s Republic of China (the “**PRC**”).

The Company and Hareon entered into a cooperation agreement dated 13 May 2015, pursuant to which, among other things, it is proposed that subject to fulfillment of certain conditions, the Group will acquire from Hareon (and a party controlled by it, where applicable) the entire equity interest in certain target companies owning on-grid solar power plant projects with an aggregate installed capacity of approximately 930 megawatt (“**MW**”) in the PRC, at the estimated total consideration of approximately RMB8.8 billion (the “**Cooperation Agreement**”). As at the date of this announcement, the Group has paid HK\$500 million as advance payment to Hareon pursuant to the Cooperation Agreement which shall be returned to the Company if the transactions contemplated under the Cooperation Agreement do not proceed to completion. Reference is made to the announcement of the Company dated 13 May 2015 in relation to the details of the transaction under the Cooperation Agreement.

On 15 January 2016, the Company filed an arbitration claim to the China International Economic and Trade Arbitration Commission against Hareon for, among others, the return of the advance payment of HK\$500 million paid under the Cooperation Agreement and the interest accrued thereon, and damages for breach of contract in the estimated amount of HK\$200 million and is seeking to take out necessary proceedings for preservation of assets and evidence.

The Company will make further announcement(s) to update the shareholders and potential investors on any significant development regarding the legal proceedings as and when appropriate.

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

Hong Kong, 15 January 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.