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GOLDPOLY NEW ENERGY HOLDINGS LIMITED

金保利新能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

DISCLOSEABLE TRANSACTIONS IN RELATION TO THE ACQUISITION OF EQUITY INTERESTS IN COMPANIES OWNING SOLAR PLANTS WITH AN AGGREGATE ELECTRICITY GENERATION CAPACITY OF APPROXIMATELY 195MW AND RESUMPTION OF TRADING

ACQUISITION OF EQUITY INTERESTS

Reference is made to the announcement made by the Company on 28 November 2013 in respect of the Framework Agreement in relation to the possible acquisition of equity interests in the Guodian Project Companies and the Forty-eighth Research Institute Project Companies which own solar power plants with an aggregate electricity generation capacity of approximately 195MW.

On 19 December 2013, United Photovoltaics (Changzhou), an indirect wholly-owned subsidiary of the Company, entered into four sale and purchase agreements, namely the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements. Pursuant to these agreements, the Group has conditionally agreed to acquire equity interests in the following companies. Details of the companies are provided as below:–

Target project company	Location of solar power plant	Approximate electricity generation capacity	On-grid connection status	Consideration
Target 1	Tuoketuo county, Inner Mongolia, PRC	40MW	On-grid connection to be achieved by end of 2013	RMB79,009,810 (maximum)
Target 2	Tumotezuoqi town, Inner Mongolia, PRC	65MW	On-grid connection to be achieved by end of 2013	RMB66,550,000 (maximum)
Target 3	Chahaeryouyiqianqi area, Inner Mongolia, PRC	50MW	On-grid connection achieved in December 2013	RMB86,793,500
Target 4	Wulatehouqi town, Inner Mongolia, PRC	40MW	On-grid connection achieved in December 2013	RMB72,263,900
Total:		195MW		RMB304,617,210
				(approximate)

LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios in respect of each of the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements is greater than 5% and less than 25%, as calculated under Rule 14.07 of the Listing Rules, the entering into of the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements constitute discloseable transactions for the Company and is subject to the announcement but exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Friday, 20 December 2013 pending the release of an announcement in relation to discloseable transactions which is inside information in nature.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on Monday, 23 December 2013 following the publication of this announcement.

Reference is made to the announcement made by the Company on 28 November 2013 in respect of the Framework Agreement in relation to the possible acquisition of equity interests in the Guodian Project Companies and the Forty-eighth Research Institute Project Companies which own solar power plants with an aggregate electricity generation capacity of approximately 195MW. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the aforesaid announcement dated 28 November 2013.

On 19 December 2013, United Photovoltaics (Changzhou), an indirect wholly-owned subsidiary of the Company, entered into (i) two sale and purchase agreements with Forty-eighth Research Institute in respect of the equity interest in Forty-eight Research Institute Project Companies, namely, the Forty-eighth Research Institute Sale Agreements, and (ii) two sale and purchase agreements with Jiangsu Yongneng in respect of the equity interest in Guodian Project Companies, namely the Guodian Sale Agreements. Each of these four sale and purchase agreements has been negotiated independently of each other and has been separately entered into by the parties and are not inter-conditional on the delivery or performance of each other.

Details of the agreements are set out below.

THE FORTY-EIGHTH RESEARCH INSTITUTE SALE AGREEMENTS

Both Dated:

19 December 2013

Parties:

(A) Vendor: Forty-eighth Research Institute

(B) Purchaser: United Photovoltaics (Changzhou)

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, that Forty-eighth Research Institute and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Subject matter of the Forty-eighth Research Institute Sale Agreements

In the two Forty-eighth Research Institute Sale Agreements, which are substantially similar in the form, Forty-eighth Research Institute has conditionally agreed to sell and United Photovoltaics (Changzhou) has conditionally agreed to purchase the 105MW Equity Interest, which represents a 89.7839% equity interest in Target 1 for a consideration of no more than RMB79,009,810 (equivalent to approximately HK\$99,552,361) and a 55% equity interest in Target 2 for a consideration of no more than RMB66,550,000 (equivalent to approximately HK\$83,853,000), respectively.

Upon completion of both the Forty-eighth Research Institute Sale Agreements, the Forty-eighth Research Institute Project Companies will become non-wholly owned subsidiaries of the Group. The shareholding structure upon completion would be summarized as below:

Target 1:

Shareholders	% of equity interest
United Photovoltaics (Changzhou)	89.7839%
Guodian Inner Mongolia	10.2161%

Target 2:

Shareholders	% of equity interest
United Photovoltaics (Changzhou)	55%
Inner Mongolia Nailun Agriculture Technology Corporation* (內蒙古奈倫農業 科技股份有限公司)	38.9%
Guodian Inner Mongolia	6.1%

Forty-eighth Research Institute Project Companies are principally engaged in the Forty-eighth Research Institute Projects which are expected to achieve the on-grid connection by end of 2013.

Consideration

The consideration under each of the respective Forty-eighth Research Institute Sale Agreements shall be settled in full by United Photovoltaics (Changzhou) within 10 Business Days from the date the respective conditions precedent under each of the Forty-eighth Research Institute Sale Agreements are fulfilled. Forty-eighth Research Institute shall, within 3 business days after the payment of consideration under the respective Forty-eighth Research Institute Sale Agreements, procure changes in the register of members of the relevant Forty-eighth Research Institute Project Companies to be made and procure the registration of such equity transfers with the relevant PRC governmental authorities. The consideration under each of the Forty-eighth Research Institute Sale Agreements will be satisfied with the internal financial resources of the Group.

Basis of Consideration

The consideration under each of the respective Forty-eighth Research Institute Sale Agreements was arrived at after arm's length negotiations between United Photovoltaics (Changzhou) and Forty-eighth Research Institute on normal commercial terms with reference to the capital injected by the Forty-eighth Research Institute.

Conditions Precedent

Completion of both the Forty-eighth Research Institute Sale Agreements are conditional upon the satisfaction of certain conditions precedent which include the following matters:–

- (i) Forty-eighth Research Institute continues to legally and beneficially own the 105MW Equity Interest;
- (ii) the Forty-eighth Research Institute Projects having been approved by the Inner Mongolia Autonomous Region Development and Reform Commission, and having obtained the relevant written approvals for such projects;
- (iii) there being no material objection highlighted in the due diligence reports issued by the purchaser or professionals appointed by purchasers on the Forty-eighth Research Institute Projects, including but not limited to legal, technical and financial due diligence matters;
- (iv) the valuation report being issued by the valuer appointed by the parties;
- (v) each of the relevant parties to the Forty-eighth Research Institute Sale Agreements having obtained the relevant internal approvals. The other shareholders of the Forty-eighth Research Institute Project Companies, respectively, having issued waivers of any rights of first refusal in respect of the transfers contemplated under the Forty-eighth Research Institute Sale Agreements;

- (vi) any and all other consents and permits from any relevant governmental authority or third party that are necessary for the transfers contemplated under the Forty-eighth Research Institute Sale Agreements having been obtained;
- (vii) the relevant statutory procedures in respect of the transfers contemplated under the Forty-eighth Research Institute Sale Agreements having been complied with and approval being obtained from the Committee of Supervision over State-Owned Assets (國有資產監督委員會);
- (viii) in the event the transfers contemplated under the Forty-eighth Research Institute Sale Agreements are subject to further approvals by any PRC governmental department, the obtaining of such approvals;
- (ix) Forty-eighth Research Institute Project Companies having obtained project financing for no less than 70% of the investment capital required for the Forty-eighth Research Institute Projects (provided that this requirement shall not apply if the relevant EPC contractor, being GD Solar, responsible for the Forty-eighth Research Institute Projects agrees in writing that it shall not require payment of its consideration after completion of the equity transfer and prior to the obtaining of the bank loan); and
- (x) the Purchaser having obtained the EPC contract and the agreement for electricity generation guarantee duly agreed by the Purchaser.

For the avoidance of doubt, each of the Forty-eighth Research Institute Sale Agreements is separate and independent of each other. Accordingly, the satisfaction of the conditions precedent, the payment of consideration and the registration of the equity transfers under each of the Forty-eighth Research Institute Sale Agreements are not inter-dependent or inter-conditional on the completion of each other.

Electricity Generation Guarantee

The Forty-eighth Research Institute undertakes that the Forty-eighth Research Institute Projects would achieve the on-grid connection no later than 31 December 2013 and that each of the Forty-eighth Research Institute Projects would meet the agreed target volume of generated grid-connected electricity.

Financial Information of the Forty-eighth Research Institute Project Companies

There was no net profit attributable to the Forty-eighth Research Institute Project Companies for the two financial years ended 31 December 2012.

As at 30 November 2013, the net asset value of Target 1 and Target 2 was approximately RMB80,000,000 (equivalent to approximately HK\$100,800,000) and RMB57,665,500 (equivalent to approximately HK\$72,658,530), respectively.

THE GUODIAN SALE AGREEMENTS

Date:

Both Dated 19 December 2013.

Parties:

(A) Vendor: Jiangsu Yongneng

(B) Purchaser: United Photovoltaics (Changzhou)

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, that Jiangsu Yongneng and its ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company.

Subject matter of the Guodian Sale Agreements

In the two Guodian Sale Agreements, which are substantially similar in the form, Jiangsu Yongneng has conditionally agreed to sell and United Photovoltaics (Changzhou) has conditionally agreed to purchase the 90MW Equity Interest, which represents a 86.79% equity interest in Target 3 and a 90.33% equity interest in Target 4, for a consideration of RMB86,793,500 (equivalent to approximately HK\$109,359,810) and RMB72,263,900 (equivalent to approximately HK\$91,052,514), respectively.

Upon completion of both the Guodian Sale Agreements, the Guodian Project Companies will become non-wholly owned subsidiaries of the Group. The remaining equity interest in each of the Guodian Project Companies is held by Guodian Inner Mongolia.

The shareholding structure upon completion would be summarized as below:

Target 3:

Shareholders	% of equity interest
United Photovoltaics (Changzhou)	86.79%
Guodian Inner Mongolia	13.21%

Target 4:

Shareholders	% of equity interest
United Photovoltaics (Changzhou)	90.33%
Guodian Inner Mongolia	8.67%

The Guodian Project Companies are principally engaged in the Guodian Projects which have achieved on-grid connection in December 2013.

Consideration

The consideration under each of the respective Guodian Sale Agreements shall be settled by United Photovoltaics (Changzhou) by two equal installments. The first installment shall be paid within 10 Business Days from the date the conditions precedent under each of the respective Guodian Sale Agreements are fulfilled. The second installment shall be paid within 10 Business Days from the date of completion of the registration of the respective equity transfers with the relevant PRC governmental authorities contemplated under each of the respective Guodian Sale Agreements. The consideration under each of the Guodian Sale Agreements will be satisfied with the internal financial resources of the Group.

Basis of Consideration

The consideration under each of the respective Guodian Sale Agreements was arrived at after arm's length negotiations between United Photovoltaics (Changzhou) and Jiangsu Yongneng on normal commercial terms with reference to the capital injected by Jiangsu Yongneng.

Conditions Precedent

Completion of the Guodian Sale Agreements is conditional upon the satisfaction of certain conditions precedent which include the following matters:—

- (i) Jiangsu Yongneng continues to legally and beneficially own the 90MW Equity Interest;
- (ii) the Guodian Projects having been approved by the Inner Mongolia Autonomous Region Development and Reform Commission, and having obtained the relevant written approvals for such projects;
- (iii) there being no material objection highlighted in the due diligence reports issued by the purchaser or professionals appointed by purchasers on the Guodian Projects, including but not limited to legal, technical and financial due diligence matters;
- (iv) the valuation report being issued by the valuer appointed by the parties;
- (v) each of the relevant parties to the Guodian Sale Agreements having obtained the relevant internal approvals and Guodian Inner Mongolia having issued waivers of any rights of first refusal in respect of the transfers contemplated under the Guodian Sale Agreements;
- (vi) any and all other consents and permits from any relevant governmental authority or third party that are necessary for the transfers contemplated under the Guodian Sale Agreements having been obtained;
- (vii) in the event the transfers contemplated under the Guodian Sale Agreements are subject to further approvals by any PRC governmental department, the obtaining of such approvals;

- (viii) each of the Guodian Project Companies having obtained financing for no less than 80% of the investment capital required for the Guodian Projects (provided that this requirement shall not apply if the relevant EPC contractor, being GD Solar, responsible for the Guodian Projects agrees in writing that it shall not require payment of its consideration after completion of the equity transfer and prior to the obtaining of the bank loan); and
- (ix) the Purchaser having obtained the EPC contract and the agreement for electricity generation guarantee duly agreed by the Purchaser.

For the avoidance of doubt, each of the Guodian Sale Agreements is separate and independent of each other. Accordingly, the satisfaction of the conditions precedent, the payment of consideration and the registration of the equity transfers under each of the Guodian Sale Agreements are not inter-dependent or inter-conditional on the completion of each other.

Electricity Generation Guarantee

Jiangsu Yongneng undertakes that the Guodian Projects would achieve the on-grid connection by no later than 31 December 2013 and that each of the Guodian Projects would meet the agreed target volume of generated grid-connected electricity.

Financial Information of the Guodian Project Companies

There was no net profit attributable to the Guodian Project Companies for the two financial years ended 31 December 2012.

As at 30 November 2013, the net asset value of Target 3 and Target 4 was approximately RMB1,000,000 (equivalent to approximately HK\$1,260,000) and RMB1,000,000 (equivalent to approximately HK\$1,260,000), respectively.

DEPOSIT

As mentioned in the announcement made by the Company on 28 November 2013, a refundable deposit of HK\$100,000,000 was paid by the Company to Guodian Technology & Environment Group Corporation Limited (國電科技環保集團股份有限公司), the holding company of GD Solar in relation to, among other things, the proposed acquisition of the 105MW Equity Interest and the 90MW Equity Interest.

Upon completion of the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements, GD Solar shall refund the aforesaid deposit to the Company within five days.

INFORMATION ON THE VENDORS

Forty-eighth Research Institute is a PRC registered institution under the 《事業單位登記管理暫行條例》 (Provisional Regulations on Administration of Registered Institutions*) and is principally engaged in the research and development, manufacturing and sale of solar power products; investment and operation of solar power plants; provision of engineering, procurement and construction services in respect of solar power plants.

Jiangsu Yongneng is a limited company established under the laws of the PRC and is principally engaged in sale of photovoltaic materials, solar power plant equipments and accessories, design of solar power plants.

INFORMATION ON GD SOLAR AND GUODIAN INNER MONGOLIA

GD Solar is a company established in the PRC with limited liability and the authorised agent of Forty-eighth Research Institute and Jiangsu Yongneng in respect of the sale of the 105MW Equity Interest and 90MW Equity Interest.

Guodian Inner Mongolia is a shareholder of Target 1 (as to 10.2161% equity interest), Target 2 (as to 6.1% equity interest), Target 3 (as to 13.21% equity interest) and Target 4 (as to 9.67% equity interest).

INFORMATION ON THE COMPANY AND UNITED PHOTOVOLTAICS (CHANGZHOU)

The Company is an investment holding company and engaged in the development, investment, operation and management of the solar power plants through its subsidiaries. United Photovoltaics (Changzhou) is an indirect wholly-owned subsidiary of the Company principally engaged in investment, construction, operation, maintenance and management of solar power plants.

REASONS FOR THE ACQUISITIONS

The Group is principally engaged in the provision of solar energy products and solutions and development, operation and management of solar power plants. It is the Group's strategy to identify suitable investment opportunity to acquire the solar power plants with good prospects and potential for stable returns. The Directors consider that the acquisition of the 105MW Equity Interest and the 90MW Equity Interest will enable the Group to further expand its scale of business in the solar energy sector and enhance the return to Shareholders. The Directors (including the independent non-executive Directors) consider that the terms of each of the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements is greater than 5% and less than 25%, as calculated under Rule 14.07 of the Listing Rules, the entering into of the Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements constitute discloseable transactions for the Company and is subject to the announcement but exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors of the Company should be aware that Forty-eighth Research Institute Sale Agreements and the Guodian Sale Agreements and the transactions contemplated thereunder are subject to certain conditions being satisfied, and consequently the acquisitions of the 105MW Equity Interest and 90MW Equity Interest may or may not proceed.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Friday, 20 December 2013 pending the release of an announcement in relation to discloseable transactions which is inside information in nature.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on Monday, 23 December 2013 following the publication of this announcement.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the PRC;
“Company”	Goldpoly New Energy Holdings Limited (金保利新能源有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“EPC”	Engineering, Procurement and Construction;
“Forty-eighth Research Institute”	中國電子科技集團公司第四十八研究所 (Forty-eighth Research Institute of China Electronics Technology Group Corporation*), an institution registered in the PRC and the vendor of the equity interest in Target 1 and Target 2 under the Forty-eighth Research Institute Sale Agreements;

“Forty-eighth Research Institute Projects”	means: (i) the solar power plant located in Tuoketuo county, Inner Mongolia, PRC, with an aggregate solar electricity generation capacity of approximately 40MW owned by Target 1; and (ii) the solar power plant located in Tumotezuoqi, Inner Mongolia, PRC, with an aggregate solar electricity generation capacity of approximately 65MW owned by Target 2.
“Forty-eighth Research Institute Sale Agreements”	the sale and purchase agreements both dated 19 December 2013 and entered into between Forty-eighth Research Institute as vendor and United Photovoltaics (Changzhou) as purchaser, for the acquisition of the 105MW Equity Interest;
“Forty-eighth Research Institute Project Companies”	means Target 1 and Target 2;
“GD Solar”	國電光伏有限公司 (GD Solar Co., Ltd*), a company established in the PRC with limited liability and the authorised agent of Forty-eighth Research Institute and Jiangsu Yongneng in respect of the sale of the 105MW Equity Interest and 90MW Equity Interest;
“Group”	the Company and its subsidiaries;
“Guodian Inner Mongolia”	國電蒙電新能源投資有限公司 (Guodian Inner Mongolia New Energy Investment Limited*), a company established in the PRC with limited liability;
“Guodian Projects”	means: (i) the solar power plant located in the Chahaeryouyiqianqi, Inner Mongolia, PRC, with an aggregate solar electricity generation capacity of approximately 50MW owned by Target 3; and (ii) the solar power plant located in the Wulatehouqi, Inner Mongolia, PRC, with an aggregate solar electricity generation capacity of approximately 40MW owned by Target 4. Both the Guodian Projects have achieved on grid connection successfully;

“Guodian Sale Agreements”	the two sale and purchase agreements both dated 19 December 2013 and entered into between Jiangsu Yongneng as vendor and United Photovoltaics (Changzhou) as purchaser, for the acquisition of the 90MW Equity Interest;
“Guodian Project Companies”	means Target 3 and Target 4;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jiangsu Yongneng”	江蘇永能新能源投資有限公司 (Jiangsu Yongneng New Energy Investment Limited*), a company established in the PRC with limited liability and the vendor of the equity interest in both the Guodian Project Companies under the Guodian Sale Agreements;
“kWh”	kilowatt-hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MW”	Megawatt, which equals 1,000,000 watt;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning assigned to it by section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other ordinances of the Laws of Hong Kong and to any unincorporated body of persons;
“Target 1”	國電托克托縣光伏發電有限公司 (Guodian Tuoketuo County Solar Power Company Limited*), a company established in the PRC with limited liability;

“Target 2”	國電奈倫土默特左旗光伏發電有限公司 (Guodian Nailuntumotezuoqi Solar Power Company Limited*), a company established in the PRC with limited liability;
“Target 3”	國電察哈爾右翼前旗光伏發電有限公司 (Guodian Chahaeryouyiqianqi Solar Power Company Limited*), a company established in the PRC with limited liability, owns a solar power plant located in the Chahaeryouyiqianqi, Inner Mongolia, PRC that has successfully achieved on-grid connection;
“Target 4”	國電烏拉特後旗光伏發電有限公司 (Guodian Wulatehouqi Solar Power Company Limited*), a company established in the PRC with limited liability, owns a solar power plant located in the Wulatehouqi, Inner Mongolia, PRC that has successfully achieved on-grid connection;
“United Photovoltaics (Changzhou)”	聯合光伏(常州)投資有限公司 (United Photovoltaics (Changzhou) Investment Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“105MW Equity Interest”	the 89.7839% equity interest in Target 1 and the 55% equity interest in Target 2;
“90MW Equity Interest”	the 86.79% equity interest in Target 3 and the 90.33% equity interest in Target 4;
“%”	per cent.

For and on behalf of
Goldpoly New Energy Holdings Limited
Li, Alan
Executive Director

Hong Kong, 20 December 2013

In this announcement, the conversion of RMB into Hong Kong dollars have been made at a rate of RMB1 to HK\$1.26. Such conversion are for reference only and should not be construed as representations that the RMB amount could be converted into Hong Kong dollars at that or any other rate.

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

* For identification purpose only