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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

Placing Agents

(in alphabetical order)



BOC INTERNATIONAL



Morgan Stanley

THE PLACING

On 23 January 2014, the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agents, on a best efforts basis, up to 480,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its Connected Persons at a price of HK\$1.72 per Placing Share.

The Placing Price of HK\$1.72:

- (i) represents a discount of approximately 8.51% to the closing price of HK\$1.88 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) represents a discount of approximately 1.83% to the average closing price of HK\$1.75 per Share for the last five consecutive trading days prior to the date of the Placing Agreement.

The maximum number of 480,000,000 Placing Shares represents (i) approximately 13.84% of the existing issued share capital of the Company of 3,468,782,575 Shares as at the date of this announcement; and (ii) approximately 12.16% of the issued share capital of the Company of 3,948,782,575 Shares as enlarged by the Placing.

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares. An application will be made by the Company to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agents and other expenses incurred in the Placing) are expected to be approximately HK\$825,600,000 and HK\$808,697,452 respectively. The Company intends to use the net proceeds from the Placing to finance any possible acquisitions of solar power plants as and when opportunities arise (including but not limited to the possible acquisitions contemplated under the framework agreement and cooperation agreement entered into by the Group as set out in the Company's announcements on 21 January 2014 and 9 January 2014, respectively).

The Placing Shares to be placed under the Placing Agreement will be issued pursuant to the November General Mandate.

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 Thursday, 23 January 2014 pending the release of an announcement in relation to a possible placing which is inside information of the Company 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 Friday, 24 January 2014 following the publication of this announcement.

THE PLACING AGREEMENT

Date

23 January 2014

Parties

- (i) the Company; and
- (ii) the Placing Agents.

Placing Agents

The Placing Agents have conditionally agreed severally, to place up to 480,000,000 Placing Shares, on a best efforts basis, up to the number of Placing Shares set opposite their respective names in the table below and will together receive a placing commission of 2% on the gross proceeds of the actual number of Placing Shares being placed by the Placing Agents.

Placing Agent	Initial Placing Allocation (no. of Placing Shares)
BOCI Asia Limited	160,000,000
CLSA Limited	160,000,000
Morgan Stanley & Co. International plc	160,000,000

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Placing Agents and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

The Placing Shares are to be placed to not fewer than six Placees on a best efforts basis who are either a professional or institutional investor and are independent of and not connected with the Connected Persons of the Company.

Number of Placing Shares

The maximum number of 480,000,000 Placing Shares represents (i) approximately 13.84% of the existing issued share capital of the Company of 3,468,782,575 Shares as at the date of this announcement; and (ii) approximately 12.16% of the issued share capital of the Company of 3,948,782,575 Shares as enlarged by the Placing. The Placing is not underwritten.

Ranking of Placing Shares

The Placing Shares will be issued fully paid up and will rank *pari passu* in all respects among themselves and with Shares in issue as at the date of allotment and issue of the Placing Shares including the right to receive all dividends and distributions which may be declared, made or paid, the record date for which falls on or after the Closing Date.

Placing Price

The Placing Price of HK\$1.72:

- (i) represents a discount of approximately 8.51% to the closing price of HK\$1.88 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) represents a discount of approximately 1.83% to the average closing price of HK\$1.75 per Share for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agents on the date of the Placing Agreement. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the November General Mandate granted by the Shareholders at the SGM held on 11 November 2013. As such, the Placing is not subject to Shareholders' approval. Under the November General Mandate, the Directors are authorised to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the SGM. As at the date of the SGM, the total number of Shares in issue was 2,408,595,830. Up to the date of this announcement, the November General Mandate has not been utilised. Under the November General Mandate, the Company is authorised to issue up to 481,719,166 new Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares; and

- (ii) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date.

Termination

The Placing Agents shall have the right to terminate the Placing Agreement by notice in writing given to the Company if any of the following events occurs at any time between the date of the Placing Agreement and by 5:00 p.m. (Hong Kong time) on the Closing Date:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agents, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (ii) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agents, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agents to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agents make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agents to proceed with the Placing; or
- (iv) there is any adverse change or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the reasonable opinion of the Placing Agents is material in the context of the Placing; or
- (v) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (vi) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, which the Placing Agents shall determine in their

reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

Completion of the Placing

Completion of the Placing will take place on the next Business Day after the fulfillment of the condition (i) as set out above in this announcement but no later than 29 January 2014 (or such later date as may be agreed between the Company and the Placing Agents).

Non-disposal Undertaking

The Company undertakes to the Placing Agents that for a period of 180 days from the Closing Date, the Company will not, save pursuant to (1) the terms of any employee share option schemes of the Company; or (2) any bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its memorandum of association and articles of association; or (3) any agreement to issue Shares entered into in connection with any transaction, which agreement has been announced prior to the date of the Placing Agreement: (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) publicly announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written unanimous consent of the Placing Agents.

However, this undertaking will not preclude the Company from raising funds through financial leasing, internet finance as well as debt financing (which, for the avoidance of doubt, excludes any issuance of convertible securities) provided the Company remains in compliance at all times with the abovementioned non-disposal undertaking or (with the consent of the Placing Agents) further issues of equity securities during the lock up period as and when the need arises.

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds for the rapid growth of the Group and consider that the Placing represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider that the entering into of the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be approximately HK\$825,600,000 and HK\$808,697,452 respectively. The Company intends to use the net proceeds from the Placing to finance any possible acquisition of solar power plants as and when

opportunities arise (including but not limited to the possible acquisitions contemplated under the framework agreement and cooperation agreement entered into by the Group as set out in the Company's announcements on 21 January 2014 and 9 January 2014, respectively). The net proceeds raised per Share upon completion of the Placing will be approximately HK\$1.68 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summarizes the fund raising activities of the Company in the last 12 months immediately before the date of this announcement:

Date of announcement or circular	Description	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at date of announcement
18 January 2013 (announcement)	(1) Issue of 959,462,250 new Shares (2) Issue of convertible bonds in the total principal amount of HK\$1,160,447,750	(1) HK\$959,462,250 (2) HK\$1,160,447,750	Acquisition of approximately 92.17% of the entire issued share capital of China Solar Power Group Limited (formerly known as China Merchants New Energy Holdings Limited)	Used as intended
29 September 2013 (announcement)	Issue of convertible bonds in the total principal amount of US\$50,000,000	HK\$358,050,000	In connection with the solar power business of China Solar Power Group Limited and any of its subsidiaries, to fund the interest reserve account opened and maintained with The Bank of New York Mellon, London Branch and for general operating and administrative costs and expenses of the Group	Used as intended
25 October 2013 (circular)	(1) Placing of 55,000,000 new Shares (2) Issue of convertible bonds in the total principal amount of US\$70,000,000	(1) HK\$91,664,000 (2) HK\$519,250,000	To finance any possible acquisitions of solar power plants disclosed in the announcements of the Company dated 2 August 2013, 22 August 2013, 29 August 2013 and 6 September 2013 and in the circular of the Company dated 10 May 2013.	Used as intended

Date of announcement or circular	Description	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at date of announcement
22 November 2013 (circular)	Issue of convertible bonds in the principal amount of HK\$232,959,339	HK\$232,559,339	To finance any possible acquisitions of solar power plants disclosed in the announcements of the Company dated 2 August 2013, 22 August 2013, 29 August 2013 and 6 September 2013 and in the circular of the Company dated 10 May 2013.	Used as intended

EFFECTS ON THE SHAREHOLDING STRUCTURE

The expected changes in the share capital and shareholding structure of the Company resulting from the Placing are as follows:

Shareholders	Existing shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing		Shareholding immediately upon completion of the Placing and upon full exercise of the conversion rights in all outstanding convertible notes and convertible bonds issued by the Company (Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
China Merchants New Energy Group Limited and parties acting in concert with it						
China Merchants New Energy Group Limited (Note 1)	467,538,250	13.48	467,538,250	11.84	1,100,090,000	18.53
China Green Holdings Limited (Note 2)	2,205,621	0.06	2,205,621	0.06	2,205,621	0.04
Renewable Energy Trade Board Corporation (Note 2)	43,974,000	1.27	43,974,000	1.11	203,870,000	3.43
Sino Arena Investments Limited	<u>20,010,000</u>	<u>0.58</u>	<u>20,010,000</u>	<u>0.51</u>	<u>100,050,000</u>	<u>1.69</u>
Sub-total:	<u>533,727,871</u>	<u>15.39</u>	<u>533,727,871</u>	<u>13.52</u>	<u>1,406,215,621</u>	<u>23.69</u>
Public Shareholders						
Existing public shareholders	2,935,054,704	84.61	2,935,054,704	74.32	4,049,864,290	68.22
Placees	<u>—</u>	<u>—</u>	<u>480,000,000</u>	<u>12.16</u>	<u>480,000,000</u>	<u>8.09</u>
Total:	<u>3,468,782,575</u>	<u>100</u>	<u>3,468,782,575</u>	<u>100</u>	<u>5,936,079,911</u>	<u>100</u>
					(Note 4)	

Notes:

1. China Merchants New Energy Group Limited is indirectly owned as to 53.56% by China Merchants Group Limited and as to 46.44% by Mr. Li, Alan, chairman of the board of directors, executive director, and chief executive officer of the Company.
2. China Green Holdings Limited is an indirect wholly-owned subsidiary of Renewable Energy Trade Board Corporation, which is in turn indirectly owned as to 16.70% by China Merchants New Energy Group Limited and as to 83.30% by other third parties.
3. As at the date of this announcement, the Company has outstanding:
 - (a) HK\$50,700,000 in principal amount of convertible notes issued on 25 October 2010 (further information in relation to which are set out in the Company's circular dated 22 November 2013), currently convertible into Shares at the price of HK\$0.507 per Share. Upon full conversion of those convertible notes at the prevailing conversion price, 100,000,000 Shares will fall to be issued;
 - (b) HK\$1,160,447,750 in principal amount of convertible bonds issued on 10 June 2013 (further information in relation to which are set out in the Company's circular dated 22 November 2013), currently convertible into Shares at the price of HK\$1.00 per Share. Upon full conversion of those convertible bonds at the prevailing conversion price, 1,160,447,750 Shares will fall to be issued;
 - (c) HK\$930,000,000 in principal amount of convertible bonds issued on 8 October 2013 (further information in relation to which are set out in the Company's circular dated 22 November 2013), currently convertible into Shares at the price of HK\$1.60 per Share. Upon full conversion of those convertible bonds at the prevailing conversion price, 581,250,000 Shares will fall to be issued; and
 - (d) HK\$232,959,339 in principal amount of convertible bonds issued on 27 December 2013 (further information in relation to which are set out in the Company's circular dated 22 November 2013), currently convertible into Shares at the price of HK\$1.60 per Share. Upon full conversion of those convertible bonds at the prevailing conversion price, 145,599,586 Shares will fall to be issued.
4. As at the date of this announcement, there are also outstanding options to subscribe for up to 1,000,000 Shares under the Company's share option scheme.

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 Thursday, 23 January 2014 pending the release of an announcement in relation to a possible placing which is inside information of the Company 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 Friday, 24 January 2014 following the publication of this announcement.

DEFINITIONS

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

“Associate”	has the meaning ascribed thereto under the Listing Rules
“Business Day”	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“Closing Date”	on the next Business Day following the date on which the condition precedent (i) as set out in this announcement (being the obtaining of the listing approval for the Placing Shares) is fulfilled or such other date as the Company and the Placing Agents may agree in writing
“Company”	Goldpoly New Energy Holdings Limited, 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 under the Listing Rules
“Directors”	the directors of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“November General Mandate”	the mandate granted to the Directors by the Shareholders at the SGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the SGM
“Placee(s)”	any investor who is either a professional or institutional investor and is independent of and not connected with the Connected Persons of the Company, procured by a Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of Placing Shares pursuant to the terms of the Placing Agreement

“Placing Agents”	each of (i) BOCI Asia Limited, a licensed corporation to carry on type 1 (dealing in securities), and type 6 (advising on corporate finance) regulated activities under the SFO; (ii) CLSA Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 7 (providing automated trading services) regulated activities under the SFO; and (iii) Morgan Stanley & Co. International plc, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 23 January 2014 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$1.72 per Placing Share
“Placing Share(s)”	up to 480,000,000 new Shares to be issued pursuant to the Placing Agreement
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company held on 11 November 2013 at which, amongst others, the refreshment of the general mandate, details of which are set out in the Company’s circular dated 25 October 2013, was approved
“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

“%”

per cent.

For and on behalf of
Goldpoly New Energy Holdings Limited
Li, Alan
Chairman of the Board

Hong Kong, 24 January 2014

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and 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*