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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)

FRAMEWORK AGREEMENT FOR ACQUISITION OF 400MW SOLAR POWER PLANTS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

On 21 January 2014, the Framework Agreement was entered into between the Company and GD Solar, pursuant to which, *inter alia*, it is proposed that the Company will acquire from GD Solar, the entire equity interest in four companies which own certain solar power plants constructed by GD Solar and located in Jinchang City, Gansu, China with an aggregate installed capacity of approximately 400MW, subject to the fulfillment of certain conditions.

Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no definitive sale and purchase agreement has been executed between and among the parties. Accordingly, shareholders of the Company and/or investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Goldpoly New Energy Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

THE FRAMEWORK AGREEMENT

On 21 January 2014, a legally-binding framework agreement (the “**Framework Agreement**”) was entered into between the Company and GD Solar Company Limited* (國電光伏有限公司) (“**GD Solar**”), pursuant to which, *inter alia*, it is proposed that the Company will acquire from GD Solar, the entire equity interest in four companies (the “**Target Companies**”) which own certain solar power plants constructed by GD Solar and located in Jinchang City, Gansu, China with an aggregate installed capacity of approximately 400MW (the “**Target Projects**”), subject to the fulfillment of certain conditions (the “**Proposed Transaction**”).

Consideration

Provided that the internal rate of return on the total investment of the Company will not be less than 9%, the consideration of the Proposed Transaction will be calculated based on the on-grid electricity price with reference to the financial model agreed by the parties.

The actual consideration of the Proposed Transaction will be set out in the definitive sale and purchase agreement to be entered into by the parties (if entered into).

The Company shall pay the consideration in full to the shareholders of the Target Companies within 5 business days after the date of completion of the sale and purchase of the Target Companies.

The management of the Company estimates that the consideration for acquisition, together with the cost of capital expenditure, of the Target Projects, will be not more than RMB4,000,000,000 (equivalent to approximately HK\$5,040,000,000).

Conditions Precedent

The completion of the sale and purchase of the Target Companies is conditional upon fulfillment of the following conditions:

- (i) GD Solar and the shareholders of the Target Companies having guaranteed that the Target Companies are validly incorporated and in good standing under the laws of the People's Republic of China and have obtained all the approvals, licenses and permits concerning their business;
- (ii) the Target Companies having been the sole legal entities for the development, investment, construction and operation of the Target Projects, which beneficially own the assets and rights of the Target Projects;
- (iii) all the Target Projects having obtained all approval documents from the relevant government authorities concerning the project assessment and on-grid connection, having completed the construction and having been connected onto the grid;
- (iv) GD Solar having provided the warranty as to the quality of the design, equipment, construction, installation, debugging and operation of the Target Projects and the parties having been satisfied with the terms of the Engineering, Procurement and Construction contracts in respect of the Target Projects (which shall be separately entered into);
- (v) GD Solar having provided the Company with the financial statements of the Target Companies and related documents with assurance that the information and materials provided are complete, true and accurate, and a valuation report of the Target Companies issued by an internationally recognised independent valuer as agreed by the parties;
- (vi) the due diligence investigation results of the Target Companies and Target Projects having been reviewed and approved by the Company;

- (vii) the Target Companies having obtained the loan facilities or other financing for the construction of the Target Projects with an interest rate which shall not be higher than the prevailing prime rate at the relevant time;
- (viii) GD Solar having provided guarantee for the electricity volume generated by the Target Projects in the form satisfactory to the Company; and
- (ix) the other conditions set out in the definitive sale and purchase agreement of the Proposed Transaction (if entered into) having been fulfilled.

In the event that the approvals, licenses and permits prescribed in (i) for the Target Projects are not obtained by the date of the completion of the sale and purchase of the Target Companies, GD Solar shall guarantee that the Company shall have the right to receive the revenue of the Target Projects in connection with the generation of electricity and that the Target Companies shall provide the relevant explanatory documents recognised by the Company.

Deposit

An aggregate refundable deposit of HK\$10,000,000 (the “Deposit”) is payable 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, who shall receive the Deposit for and on behalf of GD Solar, within five business days upon the execution of the Framework Agreement and receiving the original authorization letter in relation to the execution of the Framework Agreement given by the shareholders of the Target Companies to GD Solar. If no definitive equity transfer agreement is entered into by 1 September 2014 for the acquisition of all or any of the Target Companies, the Deposit will be refunded to the Company by GD Solar for all such project companies or HK\$2,500,000 for each of such project companies, as the case may be.

In the event the Company proceeds with the acquisition of the Target Companies, GD Solar shall refund the Deposit to the Company within five days from the date of completion of the acquisition of the relevant Target Companies.

Exclusivity

During the period commencing from the date of the Framework Agreement and ending on the last day of the third month following the fulfillment of all the conditions precedent of any of the Target Projects, without the Company’s consent, GD Solar shall not discuss or negotiate with any other third party in connection with the sale and purchase of the Target Projects.

The Proposed Transaction, which if materializes, may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcement(s) will be made by the Company regarding the Proposed Transaction as and when appropriate in compliance with the Listing Rules.

Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no definitive sale and purchase agreement has been executed between the parties. Accordingly, shareholders of the Company and/or investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 January 2014

In this announcement, the conversion of RMB into Hong Kong dollars have been made at a rate of RMB1 to HK\$1.26 unless otherwise stated. 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 (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*