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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)

ENTERING INTO OF THE PLEDGE AGREEMENT

On 16 December 2013 (after trading hours), the Vendor entered into the Pledge Agreement with the Company pursuant to which the Vendor has agreed to pledge the Convertible Bonds in the principal amount of HK\$232,959,339 for the first five years and to pledge a sum of cash in the amount equivalent to RMB21,000,000 for the remaining three years as security in favour of the CSPG Group and Huabei Expressway for the Electricity Income Guarantee and all of the liabilities of the Vendor under the Completion Agreement, respectively.

Reference is made to the circular dated 22 November 2013 (the “**Circular**”) and the announcement of the Company dated 15 December 2013 made by Goldpoly New Energy Holdings Limited (the “**Company**”) in relation to, amongst other things, the CSPG Group Acquisition and the Proposed Acquisition. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

As set out in the Circular, amongst other things, it was the intention of the Vendor to pledge its entire interest in the Convertible Bonds to the CSPG Group and Huabei Expressway as security for the Electricity Income Guarantee. As set out in the announcement of the Company dated 9 December 2013, amongst other things, the issue of the Convertible Bonds has been approved by the Shareholders at the SGM held on 9 December 2013. The approval for the listing of, and permission to deal in, the Conversion Shares upon conversion of the Convertible Bonds has been granted by the Listing Committee of the Stock Exchange.

ENTERING INTO OF THE PLEDGE AGREEMENT

On 16 December 2013 (after trading hours), the Vendor entered into a pledge agreement (the “**Pledge Agreement**”) with the Company pursuant to which the Vendor has agreed to pledge the Pledged Bonds (as defined below) for the first five years and the Pledged Sum (as defined below) for the remaining three years of the term of the Electricity Income Guarantee as security in favour of the CSPG Group and Huabei Expressway for the Electricity Income Guarantee and all of the liabilities of the Vendor under the Completion Agreement, respectively (the “**Pledge**”).

The Pledge Agreement

Parties

1. the Company
2. the Vendor

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Vendor, Huabei Expressway and their respective ultimate beneficial owner(s) (if applicable) is a third party independent of the Company and its connected persons (as defined in the Listing Rules). Upon Completion, Huabei Expressway will become a connected person of the Company.

Assets pledged

The Vendor's entire interest in the Convertible Bonds in the principal amount of HK\$232,959,339 to be issued by the Company (the "**Pledged Bonds**") for the first five years and a sum of cash in the amount equivalent to RMB21,000,000 (the "**Pledged Sum**") for the remaining three years of the term of the Electricity Income Guarantee as security in favour of the CSPG Group and Huabei Expressway for the Electricity Income Guarantee and all of the liabilities of the Vendor under the Completion Agreement, respectively. The rights of the CSPG Group and Huabei Expressway shall be ratable based upon the percentage of the equity interest in the Target Company they beneficially own respectively upon enforcement of the Pledge. The Pledge shall be valid for a period of eight years commencing from the date of issue of the Convertible Bonds.

During the first five years of the term of the Electricity Income Guarantee, in the event that the Parties have determined that a compensation sum is payable by the Vendor in accordance with the Electricity Income Guarantee under the Sale and Purchase Agreement and/or the terms of the Completion Agreement (as defined in the announcement of the Company dated 15 December 2013), the Vendor shall, in satisfaction of the compensation sum payable to the CSPG Group and Huabei Expressway in an amount to be agreed between the Company and the Vendor for the relevant year (the "**Compensation**"), allow the Company to cancel such number of the principal amount of Pledged Bonds equivalent to the Compensation. In the event that the Pledged Bonds are insufficient to cover the Compensation for the relevant year, the Vendor shall satisfy the Compensation through monetary payment.

During the remaining three years of the term of the Electricity Income Guarantee, in the event that the Parties have determined that a Compensation is payable by the Vendor, the Vendor shall allow the Company to deduct the relevant Compensation from the Pledged Sum received by it. In the event that the Pledged Sum is insufficient to cover the Compensation for the relevant year, the Vendor shall satisfy the Compensation through further monetary payment.

Release of the Pledged Bonds

Following the satisfaction of the Compensation payable by the Vendor for each relevant year during the first five years of the term of the Electricity Income Guarantee and in accordance with the terms of the Pledge Agreement, the Company shall release the Pledged Bonds gradually and annually in accordance with the table set out below:

Year	2014	2015	2016	2017	2018
The principal amount of the Pledged Bonds released which is equivalent to amount in RMB	RMB50,000,000 less the Compensation for 2014	RMB50,000,000 less the Compensation for 2015	RMB50,000,000 less the Compensation for 2016	RMB7,000,000 less the Compensation for 2017	RMB28,000,000 less the Compensation for 2018 and (if applicable) less RMB21,000,000, in the event that the Vendor fails to pay the Pledged Sum pursuant to the Pledge Agreement

For the avoidance of doubt, the Company shall not be obliged to release any of the Pledged Bonds until the Compensation for that relevant year has been fully settled.

Return of the Pledged Sum

Following the satisfaction of the Compensation payable by the Vendor for each relevant year during the remaining three years of the term of the Electricity Income Guarantee and in accordance with the terms of the Pledge Agreement, the Company shall return the Pledged Sum gradually and annually without interest in accordance with the table set out below:

Year	2019	2020	2021
The principal amount of the Pledged Sum returned which is equivalent to amount in RMB	RMB7,000,000 less the Compensation for 2019	RMB7,000,000 less the Compensation for 2020	RMB7,000,000 less the Compensation for 2021

For the avoidance of doubt, the Company shall not be obliged to return any of the Pledged Sum until the Compensation for that relevant year has been fully settled.

The Company will publish announcements to inform Shareholders of the status of the issue of the Convertible Bonds, the Electricity Income Guarantee, the release of the Pledged Bonds and the return of the Pledged Sum in accordance with the disclosure requirements under the Listing Rules as and when required.

For and on behalf of
Goldpoly New Energy Holdings Limited
Lam Ho Fai
Executive Director

Hong Kong, 16 December 2013

In this announcement, the conversion of Hong Kong dollars into RMB is based on the exchange rate of HK\$1 to RMB0.79413.

As at the date of this announcement, the executive directors of the Company are Mr. Lam Ho Fai, Mr. Li, Alan (Chief Executive Officer), Mr. Lu Zhenwei and Mr. Yiu Ka So; 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*