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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 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 12 November 2013 (after trading hours), the Company entered into the Agreement with Kunlun, pursuant to which, among other things, it is proposed that the Company and Kunlun will, subject to the fulfillment of certain conditions precedent, respectively acquire 60% and 40% equity interest of the Project Companies which own the Projects during the period from 2013 to 2015. Kunlun shall have the right to request the Company to acquire the Kunlun Sale Interest held by it within the three month period immediately prior to the expiration of the Three Year Period.

Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no definitive 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.

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 12 November 2013 (after trading hours), the Company entered into a legally binding framework agreement (the “**Agreement**”) with Kunlun Trust Company Limited (昆侖信託有限責任公司) (“**Kunlun**”), pursuant to which, among other things, it is proposed that the Company and Kunlun will, subject to the fulfillment of certain conditions precedent, respectively acquire 60% and 40% equity interest of certain project companies (the “**Project Companies**”) which own certain completed solar power plants with an aggregate electricity generation capacity of approximately 500MW (the “**Projects**”) during the period from 2013 to 2015 (the “**Proposed Transaction**”). Kunlun shall have the right to request the Company to acquire (the “**Future Acquisition**”) the equity interest in the Project Companies to be held by it (the “**Kunlun Sale Interest**”) within the three month period immediately prior to the expiration of the three years from the date of the full settlement of its portion of the consideration for the Proposed Transaction (the “**Three Year Period**”).

If the Company and Kunlun enter into definitive agreements in relation to the Proposed Transaction or enter into agreements in relation to the Future Acquisition, the Company will comply with the reporting, announcement and shareholders’ approval requirement as and when required in accordance with the Listing Rules.

Conditions precedent for the entering into of the definitive sale and purchase agreement of the Proposed Transaction

The entering into of the definitive sale and purchase agreement of the Proposed Transaction is conditional upon the fulfillment of the following conditions:

- (a) the Project Companies having been duly established and existing under and by virtue of the laws of their place of establishment and having obtained all the requisite approvals, licenses and permits concerning their operation and business as set forth in their respective business license;
- (b) the Project Companies having been the sole legal entities for the initial development, investment, construction and operation of the Projects, which beneficially own the assets and rights of the Projects;
- (c) the Projects having been approved by the relevant authorities, obtained the approval for the connection of the access system, completed the construction of the principal part of the Projects and fulfilled the conditions for on-grid connection;

- (d) the owners of the Project Companies having provided warranty as to the quality of the design, equipments, construction, installation and operation of the Projects and the parties having been satisfied with the terms of the engineering procurement and construction contract in respect of Projects;
- (e) the owners of the Project Companies having guaranteed that the electricity generation capacity of the Projects will meet the target internal rate of return set by the parties;
- (f) the Project Companies having possessing the audited financial statements satisfactory to the parties or valuation report(s) issued by an internationally recognised independent valuer appointed by the parties;
- (g) the information and materials provided by the Project Companies are complete, true and accurate, and the parties having been satisfied with the due diligence investigation results of the Project Companies;
- (h) the Project Companies having obtained loan facilities or other financing for the construction of the Projects at an interest rate and with guarantee provisions to be approved by the parties; and
- (i) the owners of the Project Companies having provided guarantee for the electricity generation capacity of the Projects in the form satisfactory to the parties.

Conditions precedent of the Proposed Transaction

The completion of the Proposed Transaction is conditional upon the fulfillment of the following conditions:

- (a) the Projects having been connected onto the grid and having commenced operation and generation of electricity; and
- (b) the other conditions set out in the definitive sale and purchase agreement of the Proposed Transaction (if entered into) having been fulfilled.

The Future Acquisition

The parties agreed that Kunlun shall have the right to request the Company to acquire the Kunlun Sale Interest held by it within the three month period immediately prior to the expiration of the Three Year Period. In the event Kunlun wishes to exercise its rights under the Agreement, Kunlun shall provide the Company with a prior written notice no less than 30 days prior to the proposed acquisition date specifying, among others, the amount of the Kunlun Sale Interest to be acquired by the Company and the

consideration calculated in accordance with the Agreement. Within the Three Year Period, no party shall transfer its interest to any third parties, unless it is required by the law or by the relevant regulatory authority.

Consideration for the Future Acquisition

The consideration for the Future Acquisition shall be calculated according to the following formula:

The consideration for the Future Acquisition = A + B – C – D

- A = the actual payment paid by Kunlun for its portion of the Proposed Transaction and capital injection made by Kunlun after the completion of the Proposed Transaction (if any).
- B = A multiplied by 8% and then multiplied by the actual days for which Kunlun having held the Kunlun Sale Interest divided by 365.
- C = the total cash dividends received by Kunlun from the Project Companies.
- D = the compensation received by Kunlun as a result of the electricity income guarantee to be provided by the owners of the Project Companies under the definitive sale and purchase agreement (if any).

Kunlun shall have the right to request the Company to settle the consideration for the Future Acquisition by way of cash or through the allotment and issuance of securities of the Company. In the event Kunlun requests the Company to settle the consideration by way of allotment and issuance of shares of the Company (the “**Shares**”), the issue price shall be HKD1.80 (the “**Issue Price**”), which was determined on arms’ length basis between the Company and Kunlun with reference to the average closing price of the Shares as quoted on The Stock Exchange of Hong Kong Limited for the five trading days prior to the execution of the Agreement. An application will be made to The Stock Exchange of Hong Kong Limited for the listing of and permission to deal in such Shares as and when required in accordance with the Listing Rules. The Issue Price shall apply to all definitive agreements to be entered into between the Company and Kunlun in relation to the Proposed Transaction within a period of six months from the date of the Agreement.

Security for the Future Acquisition

It is proposed that the Company will provide the 60% equity interest in the Project Companies to be held by it to Kunlun as security for the Future Acquisition, the terms of which will be set forth in a definitive agreement to be entered into by the parties. The obligations of the Company under the Future Acquisition will also be guaranteed by a third party to be agreed between the parties.

Composition of the board of directors of the Project Companies

The board of directors of each of the Project Companies and their respective subsidiaries shall comprise of three directors, of which two directors will be appointed by the Company and one director will be appointed by Kunlun. The chairman of the board of directors of each of the Project Companies and their respective subsidiaries shall be appointed by the Company.

INFORMATION ON KUNLUN

Kunlun was incorporated in the People's Republic of China on 20 October 1992 and is principally engaged in the provision of trust and fixed asset management services.

Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no definitive 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
Lam Ho Fai
Executive Director

Hong Kong, 12 November 2013

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, Ms. Lin Xia Yang, 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*