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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)

AGREEMENT IN RELATION TO COMPLETION OF THE ACQUISITION OF EQUITY INTEREST IN FENGXIAN HUIZE PHOTOVOLTAIC ENERGY LIMITED*

Reference is made to the circular dated 22 November 2013 (the “**Circular**”) 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 announcement of the Company dated 9 December 2013, amongst other things, the CSPG Group Acquisition and the transactions contemplated under the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement) and the Proposed Acquisition and the transactions contemplated under the Proposed Acquisition Agreement have been approved by the Shareholders at the SGM held on 9 December 2013.

THE COMPLETION AGREEMENT

The Board announces that on 15 December 2013, the Parties entered into an agreement to agree on certain terms in relation to the Completion (the “**Completion Agreement**”). Details of the Completion Agreement are set out below:

Parties

- (A) Vendor
- (B) CSPG
- (C) CMSZ
- (D) Huabei Expressway

(CSPG, CMSZ and Huabei Expressway, collectively the “**Purchasers**”)

Terms of the Completion Agreement

A summary of the terms of the Completion Agreement is set out as follows:

1. Adjustment of the completion date of the transfer under the Sale and Purchase Agreement

The completion date of the transfer of equity interest under the Sale and Purchase Agreement (the “**Completion Date**”) shall be adjusted to the date on which the consideration for the equity interest to be acquired by the Purchasers is paid in full.

2. Other receivables due from third parties to the Target Group

The Vendor undertakes that from the date of the Transfer of Debt (as defined below) to the Completion Date, the debt arising from the receivables due from third parties to the Target Group incurred prior to the Completion Date shall be settled by the Vendor to the Target Group in full. The Vendor shall serve written notices to such third parties, i.e. the relevant debtors, in respect of such transfer of debt (the “**Transfer of Debt**”).

3. Preferential income tax treatment

The Vendor shall be responsible for applying to the relevant taxation departments to obtain the approval on preferential income tax treatment for the Target Company and Fengxian Zhonghui, under which full tax exemption for the first three years and a 50% tax reduction for the three years thereafter would be granted. The Vendor shall also ensure that the Target Company and Fengxian Zhonghui shall obtain such approval on preferential treatment by 31 May 2014. The Purchasers agreed to procure the Target Company and Fengxian Zhonghui to actively facilitate the Vendor in its fulfillment of such responsibility and obligation.

In case the Vendor is unable to secure the approval on preferential tax treatment for the Target Company and Fengxian Zhonghui before 31 May 2014, thus resulting in additional payment such as tax fee, cost and penalty by the Target Group, such payment shall be entirely borne by the Vendor. If the Target Company and Fengxian Zhonghui subsequently receive the approval on preferential tax treatment, the Target Group shall repay such tax payment borne by the Vendor for the Target Group to the Vendor.

4. Treatment of receivables and payables of the Target Group

Any receivables or payables of the Target Group incurred with third parties prior to the Completion Date shall be arranged and treated as follows:

- (i) such receivables shall be repaid or paid in full by the Vendor to the Target Group, as mentioned in item 2 above;

- (ii) with respect to the payables and other payables due from the Target Group to third parties, on the date when the creditor demands the Target Group to repay the relevant debt and/or on the date when the Target Group assumes the repayment obligation under the relevant agreement or arrangement, the Purchasers or the Target Group can issue a written notice to the Vendor to demand for repayment, and within three working days after the issuance of such written notice, the Vendor shall pay the amount as stated in the written notice to the Target Group; and
- (iii) the Vendor may conduct audit on the amount as stated in the aforementioned written notice. Where there is reasonable cause, the Vendor may issue a written opposition to the Purchasers within three working days after the date of issuance of the written notice and refuse to repay the relevant sum to the Target Group. In case the Target Group is involved in disputes such as controversies, litigations and arbitrations due to the written opposition issued by the Vendor or the non-payment of the relevant sum by the Vendor to the Target Group within three working days after the issuance of the written notice, the resulting compensation and damage shall be borne by the Vendor.

If the Target Group shall be liable to payments including tax fee, cost and fine due to the enforcement of this arrangement, such payments shall be borne by the Vendor.

5. Treatment of extraordinary income/expenses after the Reference Date

If the Target Group incurs income/expenses after the Reference Date (as defined below) without the consent of the Purchasers, the Vendor shall be responsible for the settlement or refund of such amounts. The Reference Date is the date used for the preparation of the valuation and audit of the Target Group in relation to the transfer under the Sale and Purchase Agreement (the “**Reference Date**”).

6. The obtaining of invoices of the Target Group

With respect to the interest payable on the current accounts/borrowings of the Target Group, the Vendor shall be responsible for procuring the interest-receiving party to deliver the relevant invoices within ten days after the Completion Date.

With respect to construction fees of the Projects of the Target Company, the Vendor shall be responsible for communicating with the contractor and obtaining the relevant invoices of the construction fees by 31 May 2014.

If the Target Group is liable to pay additional fees, fines or other expenses due to the failure in obtaining the invoices on time or the deficiency of invoices, such amounts shall be borne by the Vendor. If such loss is caused by a third party, the Vendor shall compensate the amounts to the Target Group. After the Vendor fulfills its compensation obligation to the Target Group, the Purchasers shall procure the Target Group to cooperate with the Vendor to claim compensation against the relevant third party and the proceeds of the claim shall be returned to the Vendor by the Target Group.

7. Completion Inspection of the Projects

For the inspection of the completion of the construction (the “**Completion Inspection**”) of the Projects, the Vendor shall procure the Target Group to have such inspection completed before 31 May 2014.

If the Target Group is liable to pay fees, fines, losses and other expenses due to the failure to complete the Completion Inspection on time, such amounts shall be borne by the Vendor. If such loss is caused by a third party, the Vendor shall compensate the amounts to the Target Group. After the Vendor fulfills its compensation obligation to the Target Group, the Purchasers shall procure the Target Group to cooperate with the Vendor to claim compensation against the relevant third party and the proceeds of the claim shall be returned to the Vendor by the Target Group.

8. Handover arrangement

In order to ensure a smooth handover of operation and management of the Target Group, the Vendor shall submit a list of the assets and businesses of the Target Group in writing to the Purchasers within ten days from the date of signing of the Completion Agreement. Such list shall specify all the issues relating to assets and businesses, including details of all assets of the Target Group, details of the signed contracts in progress, detailed status of the pending litigations and arbitration, the qualification certificates and approvals (such as the business licenses) and the setting up information and documents of bank accounts.

On Completion Date, the Purchasers shall assume the full management of the Target Group. The employment of the executive directors, supervisors, senior management and other staff of the Target Group nominated or appointed by the Vendor shall be terminated.

On Completion Date, the Vendor shall transfer or shall procure the Target Group to transfer to the Purchasers all the corporate operation and management information of the Target Group, including the business license, the company chop and other chops, bank accounts, management documents, human resources records, business records, technological information, financial records and assets evidences.

9. Profit or Loss for the Period

The Target Group shall engage an accounting firm designated by Huabei Expressway to audit the profit/loss of the Target Group during the transitional period between the Reference Date and the Completion Date (the “**Profit or Loss for the Period**”) of the Target Group. The Vendor shall ascertain its Profit or Loss for the Period based on the value of profit or loss confirmed by such audits.

If the Vendor is entitled to a profit for the period, the Vendor agrees to deduct RMB4,587,539.45 from such profit or the full amount of the profit (if the profit is less than RMB4,587,539.45) and temporarily deposit it into the account of the Target Company. Such amount shall be used towards (1) repaying the payables and other payables referred to in item 4 above; and (2) paying the payments such as tax fee referred to in item 4 above.

After the Vendor fulfilled its obligations, the Purchasers shall procure the Target Company to repay the balance of such deposited sum, if any, to the Vendor.

10. Scope of the guaranteed obligations under the Pledge

With respect to the pledge to be created as security for the Electricity Income Guarantee under the Sale and Purchase Agreement (the “**Pledge**”), the scope of the guaranteed obligations under the Pledge shall also include (i) the amount which shall be paid and/or repaid to the Target Group and/or the Purchasers as agreed under the Completion Agreement due to the non-performance by the Vendor of its obligations under the Completion Agreement, (ii) any fees and interests arising from the claim of rights by the Purchasers under the Completion Agreement, and (iii) penalties, damages and other fee payables under the pledge agreement.

The Company will publish an announcement to inform Shareholders of the details of the Pledge once the terms of the pledge agreement has been finalised.

REASONS FOR ENTERING INTO THE COMPLETION AGREEMENT

The CSPG Group Acquisition represents a significant acquisition for the Company and will be an important milestone in the Company’s plan to expand its solar energy business. In order to facilitate the transfer of the Target Group to the CSPG Group and Huabei Expressway, the Parties are of the view that the entering into of the Completion Agreement is necessary in order to ensure a smooth Completion.

As the terms of the Completion Agreement have no impact on the fundamental terms of the CSPG Group Acquisition, including the subject matter and the CSPG Group Consideration, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Completion Agreement would not have any material adverse impact on the CSPG Group Acquisition. The Directors are also of the view that the terms of the Completion Agreement are fair and reasonable and the entering into of the Completion Agreement is necessary in order to further protect the interests of the Company and the Shareholders. In light of the abovementioned reasons, the Directors are of the view that the entering into of the Completion Agreement are in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 15 December 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 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