GOLDPOLY NEW ENERGY HOLDINGS LIMITED

金保利新能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF APPROXIMATELY 92.17% OF THE ENTIRE ISSUED SHARE CAPITAL OF CHINA MERCHANTS NEW ENERGY HOLDINGS LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; (2) PROPOSED CONTINUING CONNECTED TRANSACTIONS; (3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY; AND (4) RESUMPTION OF TRADING

Financial Adviser to the Company

富強金融資本
FORTUNE FINANCIAL CAPITAL

THE ACQUISITION

The Board is pleased to announce that after trading hours on 22 November 2012, the Vendors, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase the Sale Shares from the Vendors for a total consideration of HK$2,119,910,000 (subject to adjustment), which will be satisfied by the issue of the Consideration Shares and the Convertible Bonds by the allotment and Company upon Completion. The Consideration Shares will be issued at the price of HK$1.00 per Share and the Convertible Bonds will be convertible into Shares at the initial Conversion Price of HK$1.00 per Conversion Share (subject to adjustment). Both the Consideration Shares and the Conversion Shares shall be allotted and issued pursuant to the Specific Mandate to be sought at the SGM, and shall rank *pari passu* with the existing Shares then outstanding on the date of allotment and issue thereof.

* *For identification purpose only*

The 959,462,250 Consideration Shares represent (i) approximately 1.09 times of the issued share capital of the Company as at the date of this announcement; (ii) approximately 52.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming no exercise of the subscription rights attaching to the outstanding Share Options and conversion rights attaching to the outstanding Jet Mile Convertible Notes and no further allotment and issue or repurchase of Shares prior to Completion); and (iii) approximately 31.96% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares upon the exercise of the Conversion Rights (assuming the exercise of the Conversion Rights in full without adjustment to the Conversion Price, no exercise of the subscription rights attaching to the outstanding Share Options and conversion rights attaching to the outstanding Jet Mile Convertible Notes and no further allotment and issue or repurchase of Shares prior to Completion).

Assuming no adjustment is made to the Conversion Price, no exercise of the outstanding subscription rights attaching to the outstanding Share Options and conversion rights attaching to the outstanding Jet Mile Convertible Notes and no further allotment and issue or repurchase of Shares except for the Consideration Shares prior to conversion of the Convertible Bonds, upon exercise of the Conversion Rights attaching to the Convertible Bonds in full at the Conversion Price, an aggregate of 1,160,447,750 Conversion Shares will be issued, representing approximately 1.32 times of the issued share capital of the Company as at the date of this announcement and approximately 38.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares. No application will be made for listing of, and permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

THE PROPOSED CONTINUING CONNECTED TRANSACTIONS

Upon Completion, the Enlarged Group will be principally engaged in solar energy business with focus on solar silicon cell manufacturing, the business in the design, development, investment, operation and management of solar power plants and the business of manufacturing and assembling of solar modules.

To enable the Enlarged Group to maintain its business in solar silicon cell manufacturing and to develop the business in the design, development, investment, operation and management of solar power plants in the solar energy industry, it is contemplated that upon Completion, certain transactions will continue or be entered into (i) between the Enlarged Group and CMNEG Group; (ii) between the Enlarged Group and GCL-Poly Group; and (iii) between the Enlarged Group and EBOD Group. Such transactions include (i) the provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group; (ii) the supply of materials from members of GCL-Poly Group to members of the Enlarged Group; (iii) the supply of materials from members of the Enlarged Group to members of EBOD Group; and (iv) the provision of processing services by members of the Enlarged Group to members of EBOD Group. Details of the Continuing Connected Transactions and the proposed Annual Caps are set out in the paragraph headed "Continuing Connected Transactions" below.

LISTING RULES IMPLICATIONS

With respect to the Acquisition, as more than one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules, exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, one of the Vendors, Hyatt Servicing, was a company owned as to approximately 99.99% by Mr. Hung. Mr. Hung and Jet Mile, a company which was owned as to 66.70% by Mr. Hung, were interested in an aggregate of 157,312,803 Shares, representing approximately 17.84% of the issued share capital of the Company as at the date of this announcement. Jet Mile also held the Jet Mile Convertible Notes as at the date of this announcement. Hyatt Servicing, being an associate of Mr. Hung, who is a substantial shareholder of the Company, is a connected person of the Company under the Listing Rules. The Acquisition constitutes a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to approval of the Independent Shareholders at the SGM.

The allotment and issue of the Consideration Shares and the Conversion Shares upon the exercise of the Conversion Rights are subject to the Specific Mandate to be sought from the Independent Shareholders at the SGM.

Mr. Hung and his associates (including Jet Mile), China Green, which is one of the Vendors and held 22,905,621 Shares as at the date of this announcement, and its associates will be required to abstain from voting at the SGM in respect of the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder. To avoid any potential conflict of interest, Mr. Hong, who held 1,800,000 Shares as at the date of this announcement who is acting in concert with Mr. Hung, and his associates will also abstain from voting at the SGM in respect of the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

CMNEG and GCL-Poly will be respectively interested in approximately 25.39% and 13.03% of the issued share capital of the Company upon Completion and will therefore become connected persons of the Company upon Completion. The continuing transactions between the Enlarged Group and CMNEG Group and GCL-Poly Group will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon Completion. EBOD will be interested in approximately 3.41% of the issued share capital of the Company upon Completion. As EBOD is an associate of CMNEG, it will therefore also become a connected person of the Company upon Completion. The continuing transactions between the Enlarged Group and EBOD Group will also constitute continuing connected transactions under Chapter 14A of the Listing Rules upon Completion.

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules under the respective aggregate annual amounts of the transactions contemplated under each of the categories of the Continuing Connected Transactions as set out in the paragraph headed "Continuing Connected Transactions" in this announcement will exceed 5% and the aggregate annual consideration for the transactions contemplated under each of the categories of the Continuing Connected Transactions is expected to exceed HK$10,000,000, the Continuing Connected Transactions will be subject to the reporting, announcement and independent shareholders' approval requirements as set out under Chapter 14A of the Listing Rules.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company was HK$500,000,000 divided into 5,000,000,000 Shares of HK$0.1 each, of which 881,908,389 Shares have been issued and 1,583,950,842 Shares shall be issued upon the conversion of the outstanding Share Options and the Jet Mile Convertible Notes issued by the Company. Upon the issue of the 959,462,250 Consideration Shares and the 1,160,447,750 Conversion Shares, assuming that the Conversion Rights are to be exercised in full at the initial Conversion Price, there will remain 414,230,769 unissued Shares under the existing authorised share capital of the Company, representing approximately 8.28% of the authorised share capital of the Company as at the date of this announcement.

The Board proposes to increase the authorised share capital of the Company from HK$500,000,000 divided into 5,000,000,000 Shares of HK$0.1 each to HK$1,000,000,000 divided into 10,000,000,000 Shares of HK$0.1 each by the creation of an additional 5,000,000,000 unissued Shares of HK$0.1 each to provide flexibility for the Company to increase its issued capital base in the future.

The Authorised Share Capital Increase is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM. No Shareholder is required to abstain from voting at the SGM in respect of this proposed resolution.

GENERAL

An Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate and the Continuing Connected Transactions (including the proposed Annual Caps). The Company, with the approval of the Independent Board Committee, has appointed Veda Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate and the Continuing Connected Transactions (including the proposed Annual Caps) in accordance with the Listing Rules.

A circular containing, among other things, further details of (i) the terms and conditions of the Sale and Purchase Agreement and the Acquisition; (ii) the terms and conditions of the Convertible Bonds; (iii) the Authorised Share Capital Increase; (iv) the grant of the Specific Mandate; (v) the Continuing Connected Transactions (including the proposed Annual Caps); (vi) the letter from the Independent Board Committee to the Independent Shareholders; (vii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (viii) the financial information of the Group, the Target Group and the Enlarged Group; (ix) the Valuation Report; and (x) a notice convening the SGM is expected to be despatched to the Shareholders on or before 15 March 2013 as more time is required to prepare the financial information and the Valuation Report for inclusion in the circular.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 23 November 2012 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 January 2013.

As Completion is subject to fulfilment of a number of conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are urged to exercise extreme caution when dealing in the Shares.

The Board is pleased to announce that after trading hours on 22 November 2012, the Vendors, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase the Sale Shares from the Vendors for a total consideration of HK$2,119,910,000 (subject to adjustment), which will be satisfied by the allotment and issue of the Consideration Shares and the Convertible Bonds by the Company.

THE SALE AND PURCHASE AGREEMENT

Date

22 November 2012

Parties

(1) Vendors:

(i) CMNEG, holding approximately 47.83% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement;

(ii) Ease Soar, holding approximately 17.39% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement;

(iii) China Green, holding approximately 8.69% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement;

(iv) Talesun, holding approximately 8.69% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement;

(v) Hyatt Servicing, holding approximately 5.22% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement; and

(vi) Sino Arena, holding approximately 4.35% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement.

(2) Purchaser: Profit Icon Investments Limited, a direct wholly-owned subsidiary of the Company, holding approximately 7.83% of the issued shares of the Target Company as at the date of the Sale and Purchase Agreement. Reference is made to the announcements of the Company dated 14 May 2012 and 23 May 2012, respectively. The Purchaser acquired 9% of the then issued share capital of the Target Company at the consideration of HK$21,600,000 in May 2012. Subsequent to the issue of new shares of the Target Company, the equity interest held by the Purchaser in the Target Company was diluted to approximately 7.83% as at the date of this announcement.

(3) The Company

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, save for Hyatt Servicing, each of the Vendors and their respective ultimate beneficial owners were Independent Third Parties as at the date of the Sale and Purchase Agreement.

As at the date of this announcement, one of the Vendors, Hyatt Servicing, was a company owned as to approximately 99.99% by Mr. Hung. Mr. Hung and Jet Mile, a company which was owned as to 66.70% by Mr. Hung, were interested in an aggregate of 157,312,803 Shares, representing approximately 17.84% of the issued share capital of the Company as at the date of this announcement. Jet Mile also held the Jet Mile Convertible Notes as at the date of this announcement. Hyatt Servicing, being an associate of Mr. Hung, who is a substantial shareholder of the Company, is a connected person of the Company under the Listing Rules.

As at the date of this announcement, one of the Vendors, China Green was interested in 22,905,621 Shares, representing approximately 2.60% of the issued share capital of the Company.

Save as disclosed above, none of the Vendors nor their respective associates was interested in any Shares as at the date of this announcement.

Subject matter of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing approximately 92.17% of the entire issued share capital of the Target Company upon Completion.

As the Purchaser already held approximately 7.83% of the issued share capital of the Target Company as at the date of the Sale and Purchase Agreement, the Group will own the entire issued share capital of the Target Company upon Completion. After Completion, the Target Company will be accounted for as a subsidiary of the Company.

For further details of the Target Group, please refer to the paragraph headed "Information of the Target Group" below.

Consideration

The Consideration for the Sale Shares is HK$2,119,910,000 (subject to adjustment as described in the paragraph headed "Profit Guarantee and Adjustment to the Consideration" below), which shall be payable to the Vendors or their nominees (if applicable) proportionately with reference to their respective interest in the Sale Shares in the following manner upon Completion:

(1) in respect of CMNEG, as to HK$1,100,090,000 by way of (i) allotment and issue of 467,538,250 Consideration Shares; and (ii) issue of the Convertible Bonds in the principal amount of HK$632,551,750 (of which the Convertible Bonds in the principal amount of HK$440,036,000 shall be delivered to the Escrow Agent pursuant to the escrow arrangement contemplated under the Sale and Purchase Agreement);

(2) in respect of Ease Soar, as to HK$399,970,000 by way of (i) allotment and issue of 239,982,000 Consideration Shares; and (ii) issue of the Convertible Bonds in the principal amount of HK$159,988,000 (of which the Convertible Bonds in the principal amount of HK$159,988,000 shall be delivered to the Escrow Agent pursuant to the escrow arrangement contemplated under the Sale and Purchase Agreement);

(3) in respect of China Green, as to HK$199,870,000 by way of (i) allotment and issue of 39,974,000 Consideration Shares; and (ii) issue of the Convertible Bonds in the principal amount of HK$159,896,000 (of which the Convertible Bonds in the principal amount of HK$79,948,000 shall be delivered to the Escrow Agent pursuant to the escrow arrangement contemplated under the Sale and Purchase Agreement);

(4) in respect of Talesun, as to HK$199,870,000 by way of (i) allotment and issue of 119,922,000 Consideration Shares; and (ii) issue of the Convertible Bonds in the principal amount of HK$79,948,000 (of which the Convertible Bonds in the principal amount of HK$79,948,000 shall be delivered to the Escrow Agent pursuant to the escrow arrangement contemplated under the Sale and Purchase Agreement);

(5) in respect of Hyatt Servicing, as to HK$120,060,000 by way of (i) allotment and issue of 72,036,000 Consideration Shares; and (ii) issue of the Convertible Bonds in the principal amount of HK$48,024,000 (of which the Convertible Bonds in the principal amount of HK$48,024,000 shall be delivered to the Escrow Agent pursuant to the escrow arrangement contemplated under the Sale and Purchase Agreement); and

(6) in respect of Sino Arena, as to HK$100,050,000 by way of (i) allotment and issue of 20,010,000 Consideration Shares; and (ii) issue of the Convertible Bonds in the principal amount of HK$80,040,000 (of which the Convertible Bonds in the principal amount of HK$40,020,000 shall be delivered to the Escrow Agent pursuant to the escrow arrangement contemplated under the Sale and Purchase Agreement).

The above settlement arrangements and the principal amount of the Convertible Bonds of each of the Vendors to be held under escrow were arrived at after arm's length negotiations among the Company, the Purchaser and each of the Vendors.

In determining the portion of Consideration Shares and Convertible Bonds to be issued to each of the Vendors, the Parties have considered the respective preference of the Vendors on the settlement method of the Consideration as follows:

(1) each of Ease Soar, Talesun and Hyatt Servicing indicated their preference to have a majority percentage of their respective portion of the Consideration to be settled by Consideration Shares; and

(2) each of CMNEG, China Green and Sino Arena indicated their preference to have a majority percentage of their respective portion of the Consideration to be settled by Convertible Bonds.

Pursuant to the Sale and Purchase Agreement, the Series B Convertible Bonds in the total principal amount of HK$847,964,000, representing 40% of the Consideration, shall be held under escrow in accordance with the terms of the Sale and Purchase Agreement. Subject to the terms of the escrow agreement, upon confirmation of the amount of Profit by the Company's auditors on or before the date falling within three months after the expiry of the Profit Guarantee Period (or such reasonably extended date as the Purchaser and the Company may agree), if the Profit is not less than the Profit Guarantee, the Series B Convertible Bonds held under escrow in accordance with the terms of the Sale and Purchase Agreement and the escrow agreement shall be fully released to the Vendors or their nominees. In the event that the Profit is less than the Profit Guarantee, the Series B Convertible Bonds shall be released to the Vendors or their nominees in the principal amount as adjusted in accordance with the formula set out in the paragraph headed "Profit Guarantee and Adjustment to the Consideration" below.

Basis of Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms, taking into consideration (i) the preliminary assessment by the Independent Valuer on the fair value of the Concession Rights of approximately HK$2,600,000,000; (ii) the solar module manufacturing capability brought about by the Target Group; (iii) the Profit Guarantee arrangement; (iv) the continuous support of the management and the existing shareholders of the Target Company to the projects to be acquired; (v) the growth prospects of the Target Group; and (vi) the potential benefits to be brought about to the Group by the Acquisition as mentioned in the paragraph headed "Reasons for the Acquisition" below.

Further details of the Target Group are set out in the paragraph headed "Information of the Target Group" below.

The income approach has been adopted for preparation of the Valuation Report which will constitute a profit forecast under the Listing Rules.

Pursuant to Rule 14.62 of the Listing Rules, the following sets out the principal assumptions (including commercial assumptions) of the profit forecast to be contained in the Valuation Report:

(1) there will be no major changes in the laws, rules or regulations, financial, economic, market and political conditions where the Target Group and the projects in connection with the Concession Rights operate or intend to operate which may materially and adversely affect its business;

(2) solar power will not be substantially replaced or made obsolete by other sources of energy;

(3) business plans of the projects in relation to the Concession Rights will be proceeded and completed as contemplated and revenue growth of those projects driven by electricity generating capacity will be in line with the relevant projects roll-out schedules;

(4) electricity tariff for certain rooftop solar power plant projects will grow at a rate similar to the long-term inflation rate and that for ground-based solar power plant projects will remain stable;

(5) regulatory environment and market conditions for solar energy industry will be developing according to prevailing market expectations, including continual support from the PRC government in terms of timing and amount of capital expenditure and on-grid tariff subsidies;

(6) there will be no major changes in the current taxation law in the PRC;

(7) the Target Group will fulfil all legal and regulatory requirements (e.g. obtaining necessary licences) for the solar power plant business, including those related to the Concession Rights;

(8) the projects in connection with the Concession Rights will not be constrained by the availability of finance and there will be no material fluctuation of the finance costs;

(9) there will not be any adverse events beyond the control of the Target Group's management, including natural disasters, catastrophes, fire, explosion, flooding, acts of terrorism and epidemics that may adversely affect the operation of the projects in connection with the Concession Rights;

(10) the future movement of exchange rates and interest rates will not differ materially from prevailing market expectations; and

(11) the Target Group will retain competent management, key personnel and technical staff for its operations and the relevant shareholders will support its ongoing operations.

Members of the Board attended several meetings and held discussions with the management of the Target Company, the Independent Valuer, the financial adviser and the reporting accountant to the Company in respect of, among other matters, the historical performance and prospects of the Target Group, the valuation methodology and assumptions adopted or to be adopted for the valuation, and the related accounting policies and calculations. During these meetings, members

of the Board made enquiries to the Independent Valuer and considered its comments and opinions in relation to the relevant issues. Accordingly, the Board confirmed that the profit forecast to be included in the Valuation Report has been made after its due and careful enquiry.

As the Valuation Report is being prepared by the Independent Valuer, the Company will make further announcement in compliance with Rule 14.62 of the Listing Rules upon completion of the Valuation Report.

Reference is made to the announcement of the Company dated 14 May 2012 in relation to the acquisition of 9% of the then issued share capital of the Target Company by the Purchaser. The substantial increase in the preliminary fair value of the Concession Rights (which include the development rights of certain rooftop solar power plant projects as stated in the valuation mentioned in the aforesaid announcement of the Company) was mainly due to, among others, the additional development and operation rights in relation to certain ground-based and rooftop solar power plant projects, amounting to a capacity of approximately 2 GW, which are owned or may be acquired by the Target Group in or prior to the year 2015 as contemplated under certain agreements (including framework agreements) entered into by the Target Group over the period subsequent to the previous date of valuation, i.e. 31 December 2011. Please refer to the paragraph headed "Information of the Target Group" below for further details.

In view of the Consideration as compared with the valuation of the Concession Rights in relation to the solar power plant projects owned by or may be acquired by the Target Group, the Company is of the view that the Acquisition is beneficial to the Group.

Having considered the basis of the Consideration and the reasons and benefits as stated in the paragraph headed "Reasons for the Acquisition" below, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the opinion that the terms of the Sale and Purchase Agreement (including the Consideration) are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Profit Guarantee and Adjustment to the Consideration

Under the Sale and Purchase Agreement, each of the Vendors has guaranteed to the Purchaser and the Company that the Profit during the Profit Guarantee Period, i.e. the three financial years from 1 January 2013 up to 31 December 2015, or in the event that the Profit is not less than HK$495,000,000 in the two financial years from 1 January 2013 up to 31 December 2014, the Board shall be entitled to (but shall not be obliged to) shorten the Profit Guarantee Period to the two financial years from 1 January 2013 up to 31 December 2014, will be not less than HK$495,000,000.

If the Target Group fails to achieve the Profit Guarantee, the Consideration shall be adjusted downward by the adjustment formula set out below. Upon Completion, the Series B Convertible Bonds in the total principal amount of HK$847,964,000, which represents 40% of the Consideration, shall be held under escrow in accordance with the terms of the Sale and Purchase Agreement as disclosed in the paragraph headed "Consideration" above for the purpose of effectuating the potential downward adjustment of the Consideration. The adjustment formula is as follows:

$$AC = OC \times AP/PG$$

"AC" refers to the total principal amount of the Series B Convertible Bonds issued to the Vendors or their nominees, or with respect to a Vendor or its nominee, the principal amount of the relevant Series B Convertible Bonds to be released to such Vendor or its nominee, in each case, after the adjustment (if any) made in accordance with the terms of the Sale and Purchase Agreement.

"OC" refers to the original principal amount of the Series B Convertible Bonds issued to the Vendors or their nominees, or with respect to a Vendor or its nominee, the original principal amount of the relevant Series B Convertible Bonds issued to such Vendor or its nominee, in each case, before any adjustment made in accordance with the terms of the Sale and Purchase Agreement.

"AP" refers to the Profit. In the event that AP is more than the Profit Guarantee, AP shall be equivalent to the Profit Guarantee. It is agreed by the Parties that if loss is recorded for the Profit Guarantee Period, AP shall be zero.

"PG" refers to the Profit Guarantee during the Profit Guarantee Period.

The Target Group reported a loss for the year ended 31 December 2011 as its revenue derived from sale of solar modules, which is one of the existing principal businesses of the Target Group, was set off by the increased cost of sales and deteriorating market conditions. Subsequent to the year ended 31 December 2011, the Target Group entered into certain agreements in relation to the Concession Rights, further details of which are set out in the paragraph headed "Information of the Target Group" below. By taking into account that (i) the transactions contemplated under the aforesaid agreements represent a promising potential business growth of the Target Group; (ii) by

implementing the projects with the Concession Rights together with the integration and synergy effect to be brought about by the Enlarged Group, the Target Group will be able to shift its business focus to investment, development and operation of solar power plants which is expected to achieve profitability in the long run; (iii) with the standardised building process for solar power plants, the Target Group will reduce lead time for commencement of operation of such solar power plants and thus, reduce the relevant cost of sales; (iv) the first rooftop solar power plant of the Target Group pursuant to the agreement entered into between CTNE and CMBL dated 30 December 2011 has commenced commercial operation by November 2012; and (v) favourable governmental policies including grant of national feed-in tariffs and government subsidies have been implemented in respect of the solar energy industry in the PRC, the Board expects that the business of the Target Group will generate stable income and make future profit contribution to the Group upon Completion.

The agreed adjustment mechanism and the Profit Guarantee were the commercially agreed terms arrived at after arm's length negotiations among the Company, the Purchaser and each of the Vendors by taking into account, among others, (i) the change in focus of the business of the Enlarged Group; (ii) the future profitability of the Target Group as mentioned above; (iii) the financial position of the Group; (iv) the need to secure continuing commitment of the Vendors by aligning their commercial interests with those of the Enlarged Group and their respective preferences on the settlement method of the Consideration; and (v) the potential benefits to be brought about to the Group by the Acquisition set out in the paragraph headed "Reasons for the Acquisition" below.

The Company will publish an announcement in the event that (i) the Board decides to shorten the Profit Guarantee Period in accordance with the terms of the Sale and Purchase Agreement; (ii) the Profit over the Profit Guarantee Period has been ascertained by the auditors in accordance with the terms of the Sale and Purchase Agreement; and/or (iii) the Purchaser and the Company agree to extend the date for ascertaining the Profit by the Company's auditors to a date beyond three months after the expiry of the Profit Guarantee Period in accordance with the terms of the Sale and Purchase Agreement.

Conditions precedent

Completion is conditional upon fulfilment of the following conditions:

(1) (i) the passing of resolutions by the Independent Shareholders at the SGM by way of poll approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including the purchase of the Sale Shares, the issue of the Consideration Shares and the Convertible Bonds and the grant of Specific Mandate); the appointments of the four representatives nominated by CMNEG as Directors (of which two as executive Directors and the other two as non-executive Directors) upon Completion; the Continuing Connected Transactions; and (ii) the passing of resolutions by the Shareholders at the SGM by way of poll approving the Authorised Share Capital Increase;

(2) the Stock Exchange having granted the listing of, and the permission to deal in the Consideration Shares and the Conversion Shares; and such grant has not been revoked as at the Completion Date;

(3) the Stock Exchange not having indicated that it will treat the Sale and Purchase Agreement and the transactions contemplated thereunder as a reverse takeover under the Listing Rules;

(4) each of the Vendors having obtained all necessary approvals, authorisations and consents from and completed all necessary registrations and filings (if applicable) with the governmental authorities or regulatory bodies (including but not limited to the governmental authorities or regulatory bodies in the PRC), its shareholders or any third parties in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(5) the Purchaser and the Company having obtained from the Vendors a disclosure letter in relation to the representations, undertakings, covenants and warranties given by the Vendors under the Sale and Purchase Agreement; and the Purchaser and the Company being reasonably satisfied with the results of the due diligence exercises in respect of the Target Group's assets, debts, operation, taxation matters, books and accounts, corporate records and legal matters;

(6) the Purchaser and the Company having obtained from a qualified valuer engaged by them a valuation report stating that the value of the Concession Rights being not less than HK$2,600,000,000 and which shall be in such form and substance to the reasonable satisfaction of the Company;

(7) the Purchaser and the Company having obtained a PRC legal opinion issued by qualified PRC legal advisers engaged by them, with respect to (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the shareholding structure, legality and validity, capital contribution, business, taxation matters, legality of the assets, environmental protection, approvals and licenses, etc. in respect of the companies within the Target Group which were established in the PRC, in such substance to the reasonable satisfaction of the Company;

(8) the Vendors having delivered to the Purchaser the certificates of good standing and certificates of incumbency of the Target Company and the companies within the Target Group which were incorporated in the BVI, such certificates being dated not more than ten Business Days before the Completion Date;

(9) the Vendors having provided to the Purchaser and the Company a deed of indemnity in respect of the Target Group in such substance as agreed by the Vendors, the Purchaser and the Company;

(10) an escrow agreement having been duly executed by the Purchaser, the Company, the Vendors and the Escrow Agent;

(11) since the date of the Sale and Purchase Agreement and up to the Completion Date:

(i) there being no adverse change in the business, assets, financial position and operation of the Target Group which the Purchaser and the Company reasonably consider to be material to the Sale and Purchase Agreement and the transactions contemplated thereunder;

(ii) there being no on-going or pending investigation, action, arbitration, claim or any other legal proceeding, whether initiated or threatened to be initiated by any court, adjudication board or tribunal or any governmental authority of competent jurisdiction, which the Purchaser and the Company reasonably consider to be material to the Sale and Purchase Agreement and the transactions contemplated thereunder;

(iii) there being no event or circumstance which causes any representation, undertaking, covenant or warranty given by the Vendors in the Sale and Purchase Agreement to be materially untrue or inaccurate; and there being no event or circumstance which the Purchaser and the Company reasonably consider may cause a material adverse change in the Target Group's operation, assets or financial position; and

(iv) there being no proposed enactment, promulgation or enforcement by any authority of any ordinances, rules, orders, judgments, notices or awards, which prohibits, restricts or materially delays the execution or performance of the Sale and Purchase Agreement and the transactions contemplated thereunder by the Vendors;

(12) the Vendors having confirmed to the Purchaser and the Company in writing that the conditions precedent referred to in (4) and (11) above have been satisfied as at Completion;

(13) the Vendors having obtained from the Purchaser a disclosure letter in relation to the representations, undertakings, covenants and warranties given by the Purchaser and the Company under the Sale and Purchase Agreement; and the Vendors being reasonably satisfied with the results of the due diligence exercises in respect of the Group's assets, debts, operation, taxation matters, books and accounts, corporate records and legal matters;

(14) no event having occurred and no circumstance having existed since the date of the Sale and Purchase Agreement up to the Completion Date, the consequence of which may under reasonable circumstances be able to cause material adverse effect on the business, operation, assets or financial position of the Group; or which may prohibit, restrict or significantly delay the Purchaser or the Company from signing and performing the Sale and Purchase Agreement and the transactions thereunder; or which has caused suspension of trading in the Shares on the Stock Exchange exceeding five consecutive trading days (save for such suspension(s) arising from signing of the Sale and Purchase Agreement); and

(15) the Purchaser and the Company having confirmed to the Vendors in writing that the condition precedent referred to in (14) above has been satisfied as at Completion.

The Purchaser and the Company may waive the condition precedent referred to in (11) above at their sole discretions at any time by notice in writing to the Vendors; and the Vendors may waive the condition precedent referred to in (14) above at their sole discretions at any time by notice in writing to the Purchaser and the Company.

If any of the conditions precedent has not been fulfilled or waived in accordance with the terms of the Sale and Purchase Agreement on or before the Long Stop Date (except that conditions precedent (12) and (15) can take place simultaneously with Completion), the Sale and Purchase Agreement shall automatically terminate and none of the Parties shall have any claim against the other Parties, save for any antecedent breach of the terms of the Sale and Purchase Agreement.

Completion

Completion shall take place on the Completion Date falling on the fifth Business Day (or such other date as the Vendors, the Company and the Purchaser may agree in writing) after all the conditions precedent under the Sale and Purchase Agreement having been fulfilled or waived (as the case may be) by the relevant Parties.

Director nomination right

Pursuant to the Sale and Purchase Agreement, CMNEG shall have an one-off right to nominate two executive Directors and two non-executive Directors to the Board at Completion. The appointments of these Directors will be subject to the Independent Shareholders' approval at the SGM. As at the date of this announcement, no candidate has been nominated by CMNEG for appointment as Directors.

The Board currently comprises three executive Directors, two non-executive Directors and four independent non-executive Directors. Pursuant to the Sale and Purchase Agreement, CMNEG shall have an one-off right to nominate two executive Directors and two non-executive Directors into the Board upon Completion. The Board intends to appoint one additional independent non-executive Director so as to comply with the requirement under Rule 3.10A of the Listing Rules.

The Board will comprise 13 Directors at Completion (without taking into account the additional independent non-executive Director to be appointed). The nominations by CMNEG will constitute less than one-third of the members of the enlarged Board.

Undertaking

The Purchaser and the Company undertake to CMNEG to change the names and the trademarks of the Target Company and CMSZ immediately after Completion and that if the Group proposes to use the trade names, trademarks or other business logos of "招商", "招商局" or "China Merchants", prior written consent from China Merchants Group Limited, a state-owned enterprise established in the PRC and the ultimate holding company of CMNEG, must be obtained. As at the date of this announcement, the Company had not determined any proposed names for the Target Company and CMSZ. The names of the Target Company and CMSZ will be changed to such new names as approved by the Board after Completion.

THE CONSIDERATION SHARES

Upon Completion, the Company will allot and issue, credited as fully paid, an aggregate of 959,462,250 Consideration Shares at the Issue Price of HK$1.00 per Consideration Share to the Vendors (or their nominees) as settlement of approximately 45.26% of the total Consideration.

The 959,462,250 Consideration Shares represent (i) approximately 1.09 times of the issued share capital of the Company as at the date of this announcement; (ii) approximately 52.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming no exercise of the subscription rights attaching to the outstanding Share Options and conversion rights attaching to the outstanding Jet Mile Convertible Notes and no further allotment and issue or repurchase of Shares prior to Completion); and (iii) approximately 31.96% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares upon the exercise of the Conversion Rights (assuming the exercise of the Conversion Rights in full without adjustment to the Conversion Price, no exercise of the subscription rights attaching to the outstanding Share Options and conversion rights attaching to the outstanding Jet Mile Convertible Notes and no further allotment and issue or repurchase of Shares except for the Consideration Shares prior to such conversion of the Convertible Bonds).

The Issue Price of HK$1.00 per Consideration Share represents:

(1) a discount of approximately 21.26% to the closing price of approximately HK$1.270 per Share as quoted on the Stock Exchange on the Last Trading Day;

(2) a discount of approximately 22.12% to the average closing price of approximately HK$1.284 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;

(3) a discount of approximately 21.88% to the average closing price of approximately HK$1.280 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;

(4) a premium of approximately 6.16% over the audited net asset value of approximately HK$0.942 per Share as at 31 December 2011 (based on the latest published audited consolidated net asset value of the Company of approximately HK$830.5 million as at 31 December 2011 and 881,908,389 Shares as at the Last Trading Day); and

(5) a premium of approximately 20.05% over the unaudited net asset value of HK$0.833 per Share as at 30 June 2012 (based on the latest published unaudited consolidated net asset value of the Company of approximately HK$735.0 million as at 30 June 2012 and 881,908,389 Shares as at the Last Trading Day).

The Issue Price was determined after arm's length negotiations among the parties to the Sale and Purchase Agreement with reference to (i) the prevailing market price of the Shares; (ii) the audited and unaudited net asset value of the Company as at 31 December 2011 and 30 June 2012, respectively; (iii) the financial performance of the Group; and (iv) the current market conditions. Based on the above, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the Issue Price is fair and reasonable to the Company and the Shareholders as a whole.

Each of the Vendors (other than CMNEG) irrevocably and unconditionally undertakes to the Purchaser and the Company that it shall not sell or transfer or otherwise dispose of, or create any encumbrances on, whether directly or indirectly any part of their respective Consideration Shares during the period of twelve months after the Completion Date.

CMNEG irrevocably and unconditionally undertakes to the Purchaser and the Company that it shall not sell or transfer or otherwise dispose of, or create any encumbrances on, whether directly or indirectly, any part of its Consideration Shares during the period of twenty four months after the Completion Date.

The Consideration Shares, when issued upon Completion, will rank *pari passu* in all respects with the Shares then in issue.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

CONVERTIBLE BONDS

Upon Completion, the Company will issue to each of the Vendors (or their respective nominees) the Convertible Bonds as settlement of approximately 54.74% of the total Consideration for the Acquisition.

Assuming no adjustment is made to the Conversion Price, no exercise of the outstanding subscription rights attaching to the outstanding Share Options and conversion rights attaching to the outstanding Jet Mile Convertible Notes and no further allotment and issue or repurchase of Shares except for the Consideration Shares prior to conversion of the Convertible Bonds, upon exercise of the Conversion Rights in full, the Company will allot and issue 1,160,447,750 Conversion Shares, representing (i) approximately 1.32 times of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 38.66% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares upon the exercise of the Conversion Rights in full. The aggregate nominal value of the Conversion Shares will be HK$116,044,775 assuming that the Conversion Rights are exercised in full at the initial Conversion Price.

The Company will consider to settle the Convertible Bonds, by various alternatives, including but not limited to internal resources, equity and debts financing when the Convertible Bonds become due.

The Directors consider that the payment method of the Consideration involving the issue of the Convertible Bonds is favourable to the Group at the juncture of its development given that it enables the Group to implement the Acquisition without significant outlay of cash and preserve its currently available cash for future development of its business, and thus, is considered to be in the interests of the Company and the Shareholders as a whole.

No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds to be issued by the Company pursuant to the Sale and Purchase Agreement are summarised below:

(1) ***Issue Date***

The Convertible Bonds shall be issued on the Completion Date.

(2) ***Principal Amount***

Series A Convertible Bonds

HK$312,483,750 in aggregate.

Series B Convertible Bonds

HK$847,964,000 in aggregate (subject to adjustment and escrow arrangement as described in the paragraphs headed "Profit Guarantee and Adjustment to the Consideration" and "Consideration" above).

(3) ***Interest***

The Convertible Bonds shall not bear any interest.

(4) ***Maturity Date***

The Convertible Bonds shall mature on the date falling on the fifth anniversary of the issue date of the Convertible Bonds or if such date is not a Business Day, the Business day immediately following such date.

(5) ***Conversion***

Subject to the terms of the Convertible Bonds and the provisions under the Listing Rules and the Takeovers Code, (i) the holders of the Series A Convertible Bonds shall have the right to convert the whole or part of the principal amount of the Series A Convertible Bonds into Conversion Shares at any time and from time to time during the Conversion Period commencing from the day immediately after the end of the first anniversary of the issue date of the Series A Convertible Bonds and ending on the Maturity Date, and (ii) the holders of the Series B Convertible Bonds shall have the right to convert the whole or part of the principal amount of the Series B Convertible Bonds into Conversion Shares at any time and from time to time during the Conversion Period commencing from the day immediately following the expiry of the Lock-up Period and ending on the Maturity Date, in each case, in amounts of not less than HK$1 million and in integral multiples of HK$1 million on each

conversion, save that if at any time, the principal outstanding amount of the Convertible Bonds is less than HK$1 million, the whole (but not part only) of the principal outstanding amount of the Convertible Bonds may be converted.

The Bondholders shall not have the right to convert the whole or part of the principal amount of the Convertible Bonds into Shares to the extent that immediately after such conversion:

(i) the minimum public float requirement for the Shares as required under the Listing Rules could not be maintained;

(ii) the Bondholder (other than Hyatt Servicing, its Affiliates and their parties acting in concert) whether alone or together with parties acting in concert with it will, directly or indirectly, control or be interested in 29.90% or more of the voting rights of the Company (or in such other percentage lower than 29.90% as may from time to time be specified in the Takeovers Code being the level for triggering a mandatory general offer); or

(iii) Hyatt Servicing, its Affiliates and their parties acting in concert, whether alone or together with parties acting in concert with it will, directly or indirectly, control or be interested in 19.90% or more of the voting rights of the Company (or in such other percentage lower than 19.90% as may from time to time be specified in the Takeovers Code which will result in Hyatt Servicing, its Affiliates and their parties acting in concert being presumed as a party acting in concert with any Shareholder and parties acting in concert with such Shareholder).

(6) ***Conversion Price***

The Convertible Bonds shall be converted at the Conversion Price, subject to customary adjustments in the event of, *inter alia*, share consolidation, share sub-division, capitalisation issue, capital distribution, right issue and issue of other securities.

The Conversion Price of HK$1.00 per Conversion Share represents:

(i) a discount of approximately 21.26% to the closing price of approximately HK$1.270 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 22.12% to the average closing price of approximately HK$1.284 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 21.88% to the average closing price of approximately HK$1.280 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;

(iv) a premium of approximately 6.16% over the audited net asset value of approximately HK$0.942 per Share as at 31 December 2011 (based on the latest published audited consolidated net asset value of the Company of approximately HK$830.5 million as at 31 December 2011 and 881,908,389 Shares as at the Last Trading Day); and

(v) a premium of approximately 20.05% over the unaudited net asset value of HK$0.833 per Share as at 30 June 2012 (based on the latest published unaudited consolidated net asset value of the Company of approximately HK$735.0 million as at 30 June 2012 and 881,908,389 Shares as at the Last Trading Day).

On the same basis of determination of the Issue Price, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the Conversion Price is fair and reasonable to the Company and the Shareholders as a whole.

(7) ***Conversion Shares***

The Conversion Shares issued upon conversion shall rank *pari passu* in all respects with all other existing Shares outstanding on the conversion date (the date which the signed notice of conversion is received by the Company) and shall be entitled to all dividends, bonuses and other distributions the record date of which falls on a date immediately after the conversion date.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.

(8) ***Transferability***

Transfer or assignment of the Convertible Bonds shall be subject to the conditions, approvals, requirements and any other provisions of or under the Stock Exchange or their rules and regulations, the approval of listing in respect of the Shares which may fall to be issued upon the exercise of the Convertible Bonds and all applicable laws and regulations and the other provisions in the Convertible Bonds.

For Series A Convertible Bonds, save for a Permitted Transfer (as defined below), no transfer or assignment may be made to a connected person of the Company and unless the principal amount to be assigned or transferred shall be in an amount not less than HK$1 million and in integral multiple of HK$1 million.

For Series B Convertible Bonds, no transfer or assignment may be made to (i) any person before the expiry of the Lock-up Period and (ii) a connected person of the Company save for a Permitted Transfer (as defined below) and unless the principal amount to be assigned or transferred shall be in an amount not less than HK$1 million and in integral multiple of HK$1 million.

A "**Permitted Transfer**" refers to a transfer to a person who is an Affiliate of a Bondholder and such transfer has been approved by the independent non-executive Directors.

(9) ***Voting Rights***

The Bondholders will not be entitled to attend or vote at any meetings of the Company by reason only of them being Bondholders.

(10) ***Ranking***

The Convertible Bonds constitute general, unconditional and unsecured obligations of the Company and rank, and will rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

(11) ***Redemption***

For Series A Convertible Bonds, the Company shall be entitled to redeem in whole or in part of the principal amount of the outstanding Series A Convertible Bonds at 100 per cent. of the principal amount thereof on any Business Day after the first anniversary of the issuance date of the Convertible Bonds.

For Series B Convertible Bonds, the Company shall be entitled to redeem in whole or in part of the principal amount of the outstanding Series B Convertible Bonds at 100 per cent. of the principal amount thereof on any Business Day after expiry of the Lock-up Period.

(12) ***Events of default***

The Convertible Bonds will contain events of default provisions which provide that on the occurrence of certain events of default specified in the conditions of the Convertible Bonds (e.g. repayment overdue, insolvency and liquidation etc.), the Convertible Bonds shall become due and payable in accordance with the terms and conditions of the relevant bond instrument of the Convertible Bonds.

For Series A Convertible Bonds, if any of the events of default occurs, the Bondholders whose share represents 75% or more of the aggregate outstanding Convertible Bonds may give notice to the Company that the Series A Convertible Bonds are, and they shall on the giving of such notice immediately become, due and payable at their principal.

For Series B Convertible Bonds, if any of the events of default occurs, the Bondholders whose share represents 75% or more of the aggregate outstanding Convertible Bonds may give notice to the Company that the Series B Convertible Bonds are, and they shall on the giving of such notice immediately become, due and payable at their principal, provided that

if the notice is given before the expiry of the Lock-up Period, the Series B Convertible Bonds shall only become due and payable at their principal on the day immediately following the expiry of the Lock-up Period.

(13) ***Cancellation in respect of Series B Convertible Bonds***

In the event the Profit Guarantee is not met, the Company shall be entitled to request the holders of the Series B Convertible Bonds to surrender the Series B Convertible Bonds and cancel such principal amount of the outstanding Series B Convertible Bonds as representing the difference between the amount of HK$847,964,000 (i.e. the aggregate principal amount of the Series B Convertible Bonds) and the product of HK$847,964,000 times the actual aggregate profit of the Target Group as shown in the audited financial statements of the Target Group for the three financial years ending 31 December 2015 or such shorter period as provided in the Sale and Purchase Agreement divided by HK$495,000,000 (i.e. the Profit Guarantee).

INFORMATION OF THE TARGET GROUP

Principal business of the Target Group

The Target Company is a limited liability company incorporated in the BVI on 8 February 2007 and has a total issued capital of US$5,750,000 divided into 575,000,000 ordinary shares of US$0.01 each. The Target Company is owned as to approximately 47.83% by CMNEG, approximately 17.39% by Ease Soar, approximately 8.69% by China Green, approximately 8.69% by Talesun, approximately 7.83% by the Purchaser, approximately 5.22% by Hyatt Servicing and approximately 4.35% by Sino Arena.

The Target Company is an investment holding company and the Target Group is principally engaged in the design, development, investment, operation and management of solar power plants, both ground-based solar power plants and rooftop solar power plants and systems. The Target Group also engages in the assembling of solar modules, which can be installed for solar electricity generation, through its subsidiary in Fujian Province of the PRC.

It is the intention of the Target Company to position itself as the leading player in the design, development, investment, operation and management of solar energy plants in the solar industry by taking advantage of the expertise and resources available from its shareholders and business partners, as well as the favourable state and local policies for solar energy industry in the PRC.

As at the date of this announcement, the Target Group has completed the development of a rooftop solar power plant in Shenzhen with initial generation capacity of 2.1MW and has acquired two ground-based solar plant projects and entered into definitive sale and purchase agreements for the acquisition of two rooftop solar plant projects with generation capacity up to 120MW and 12MW, respectively. As at 31 December 2012, the Target Group entered into a series of legally binding agreements (including framework agreements), pursuant to which the Target Group obtained various rights (details of which have been summarised in the table setting out the key

features of the solar power plant projects as contemplated under the aforesaid agreements below) in relation to certain ground-based and rooftop solar power plant projects with a maximum capacity of up to approximately 5GW which are owned or may be acquired by the Target Group in or prior to the year 2017.

The following table sets out the key features of the solar power plant projects as contemplated under the aforesaid agreements:

	Date of agreement/party	**Subject matter**	**Rights/Obligations of the Target Group**	**Nature of the Concession Rights**	**Tentative location of project**	**Maximum contracted/ projected solar electricity generation capacity** *(Note 1)*	**Capacity to be included in the valuation of the Concession Rights**
1.	18 June 2012 (as supplemented by a supplemental agreement dated 19 July 2012) GCL-Poly Investment and the Target Company	Acquisition by the Target Company of the entire equity interest of project companies for certain rooftop solar power plants, which are projects eligible for the Golden Sun Program.	The Target Company undertakes to enter into the agreement in relation to the acquisition of the entire equity interest of project companies for certain rooftop solar power plants, which are projects eligible for the Golden Sun Program, within 5 working days upon receiving notification of approval for the subsidy.	Projects to be acquired for development *(Note 2 & 4)*	Jiangsu, the PRC	Approximately 64MW by 30 June 2013	64MW
2.	19 June 2012 (as supplemented by a supplemental agreement dated the same date and a second supplemental agreement dated 29 August 2012) Zhongli Talesun and the Target Company	Acquisition by the Target Company of the equity interest of project companies for certain completed solar power plants, which are connected to the state grid. The targeted power plant projects cover both ground-based and rooftop solar power plants.	Provided that the completed solar power plants satisfy the technical standards and financial requirements of the Target Company, the Target Company shall acquire the equity interest of the project companies for the completed solar power plants; and The Target Company undertakes that it shall complete the acquisition of the equity interest of project companies for solar power plants with a total capacity of 100MW by 2012 subject to various conditions precedent.	To acquire the completed solar power plant projects *(Note 3 & 5)*	Gansu, Qinghai, Xinjiang provinces in the PRC	Approximately 2,000MW by 2017	444MW

	Date of agreement/party	Subject matter	Rights/Obligations of the Target Group	Nature of the Concession Rights	Tentative location of project	Maximum contracted/ projected solar electricity generation capacity *(Note 1)*	Capacity to be included in the valuation of the Concession Rights
3.	25 August 2012 Independent Third Party and the Target Company	Acquisition by the Target Company of the equity interest of project companies for certain rooftop solar power plants, which satisfy the technical standards and financial requirements of the Target Company.	The Target Company shall have first right of refusal to acquire the equity interest of the project companies for the solar power plants which satisfy the technical standards and financial requirements of the Target Company based on the same terms and conditions which any persons may offer to the Independent Third Party.	To acquire the completed solar power plant projects *(Note 5)*	Jiangsu in the PRC	Approximately 300MW by 2015	155MW
4.	29 August 2012 Independent Third Party, EBOD and the Target Company	Acquisition by the Target Company of the equity interest of project companies for certain solar power plants, which satisfy the technical standards and financial requirements of the Target Company. The targeted power plant projects cover both ground-based and rooftop solar power plants.	The Target Company shall have first right of refusal (provided that the solar power plants satisfy the technical standards and financial requirements of the Target Company, the Company shall be obliged) to acquire the equity interest of the project companies for the solar power plants based on the same terms and conditions which any persons may offer to the Independent Third Party.	To acquire the completed solar power plant projects	Qinghai, Jiangsu, Anhui, Inner Mongolia, Ningxia, Xinjiang and Gansu	Approximately 200MW by 2013	N/A

	Date of agreement/party	Subject matter	Rights/Obligations of the Target Group	Nature of the Concession Rights	Tentative location of project	Maximum contracted/ projected solar electricity generation capacity *(Note 1)*	Capacity to be included in the valuation of the Concession Rights
5.	30 August 2012 Independent Third Party, EBOD and the Target Company	Acquisition by the Target Company of 70% of the equity interest of project companies for certain completed solar power plants, which satisfy the technical standards and financial requirements of the Target Company. The targeted power plant projects cover both ground-based and rooftop solar power plants.	Provided that the completed solar power plants satisfy the technical standards and financial requirements of the Target Company, the Target Company shall acquire 70% of the equity interest of the project companies for such solar power plants.	To acquire the completed solar power plant projects *(Note 5)*	Northwest, eastern and northern regions of the PRC (including Xinjiang) and Japan	Approximately 450MW by 2015	14MW
6.	31 August 2012 Independent Third Party, EBOD, and the Target Company	Acquisition by the Target Company of 70% of the equity interest of project companies for certain completed solar power plants, which satisfy the technical standards and financial requirements of the Target Company. The targeted power plant projects cover both ground-based and rooftop solar power plants.	Provided that the completed solar power plants satisfy the technical standards and financial requirements of the Target Company, the Target Company shall acquire 70% of the equity interest of the project companies for such solar power plants.	To acquire the completed solar power plant projects *(Note 5)*	Northwest, eastern and northern regions (including Gansu and Qinghai) in the PRC	Approximately 500MW by 2015	252MW

	Date of agreement/party	Subject matter	Rights/Obligations of the Target Group	Nature of the Concession Rights	Tentative location of project	Maximum contracted/ projected solar electricity generation capacity *(Note 1)*	Capacity to be included in the valuation of the Concession Rights
7.	14 November 2012 (supersedes and replaces the former agreements dated 2 August 2012) GCL-Poly Investment, EBOD and the Target Company	Acquisition by the Target Company of the equity interest of project companies (or their respective holding companies) with respect to certain power plant projects which are completed or under construction within the coming 5 years. The targeted power plant projects cover both ground-based and rooftop solar power plants.	Provided that the solar power plant projects satisfy the financial requirements to be agreed between GCL-Investment and the Target Company, the Target Company shall have the right of first priority to have its acquisition offer considered by GCL-Poly Investment for the acquisition of equity interest of the project companies (or their respective holding companies) for such solar power plant projects based on the same terms and conditions which any persons may offer to GCL-Poly Investment.	To acquire completed projects with approximately 3MW projected solar electricity capacity. The remaining projects with approximately 1,090MW projected solar electricity generation capacity will be acquired for development. *(Note 6)*	Shanxi, Jiangsu, Xizang, Gansu, Liaoning and Xinjiang in the PRC	Approximately 1,393MW by 2017	1,093MW
8.	28 November 2011 CMLH and CTNE	Development of rooftop solar power plants/systems by the Target Company over the rooftops of the warehouses and distribution centres of certain logistics networks owned by CMLH in the PRC with a total area of not less than 1,000,000 square meters for a term of 25 years.	Exclusive right to lease the rooftop for installation of rooftop solar power plants/ systems.	Self-development	Beijing, Shanghai, Tianjin, Chongqing, Anhui, Sichuan, Guizhou, Hunan, Hubei, Shaanxi, Liaoning, Heilongjiang, Jilin, Guangdong, Jiangsu, Fujian, Henan in the PRC	100MW by 2015	100MW

	Date of agreement/party	Subject matter	Rights/Obligations of the Target Group	Nature of the Concession Rights	Tentative location of project	Maximum contracted/ projected solar electricity generation capacity *(Note 1)*	Capacity to be included in the valuation of the Concession Rights
9.	29 December 2011 CSOSA and CTNE	Development of rooftop solar power plants/systems by the Target Company over the rooftops of certain properties owned by CSOSA in the PRC with a total area of not less than 20,000 square meters for a term of 25 years.	Exclusive right to lease the rooftop for installation of rooftop solar power plants/ systems.	Self-development	Shenzhen, Guangdong Province in the PRC	2MW by 2015	2MW
10.	30 December 2011 CMBL and CTNE	Development of rooftop solar power plants/systems by the Target Company over the rooftops of certain properties owned by CMBL in the PRC with a total area of not less than 200,000 square meters for a term of 25 years.	Exclusive right to lease the rooftop for installation of rooftop solar power plants/ systems.	Self-development	Shenzhen, Guangdong Province in the PRC	20MW by 2015	20MW

	Date of agreement/party	Subject matter	Rights/Obligations of the Target Group	Nature of the Concession Rights	Tentative location of project	Maximum contracted/ projected solar electricity generation capacity *(Note 1)*	Capacity to be included in the valuation of the Concession Rights
11.	13 July 2012 Independent Third Party and the Target Company	Development of rooftop solar power plants/systems by the Target Company over the rooftops of the warehouses and distribution centres of certain logistics networks owned by the Independent Third Party in the PRC with a total area of not less than 1,000,000 square meters for a term of 25 years.	Exclusive right to lease the rooftop for installation of rooftop solar power plants/ systems.	Self-development	To be agreed	100MW	N/A
12.	29 October 2012 Independent Third Party and the Target Company	Development of rooftop solar power plants/systems by the Target Company over the rooftops of certain properties owned by the Independent Third Party in the PRC to install up to 30MW rooftop solar power plants/ systems for a term of 25 years.	Exclusive right to lease the rooftop for installation of rooftop solar power plants/ systems.	Self-development	Zhejiang	30MW	20MW
						Total:	**2,164MW**

Notes:

1. *The maximum contracted/projected solar electricity generation capacity of the solar power plant projects refers to the maximum capacity as contemplated under the relevant agreements, (including framework agreements), where there is no such maximum capacity expressly stipulated in the relevant agreements (including framework agreements), it refers to the projected capacity adopted for the preparation of the Valuation Report.*

2. *Pursuant to the relevant framework agreement, CMSZ further entered into two definitive sale and purchase agreements with members of GCL-Poly Group on 20 December 2012 in relation to the acquisition of two project companies relating to two rooftop solar power plant projects with electricity generation capacity amounting to approximately 12MW.*

3. *On 22 December 2012, CMSZ entered into a definitive sale and purchase agreement (as supplemented by a supplemental agreement dated the same date) with two subsidiaries of Zhongli in relation to, inter alia, the acquisition of a project company relating to two ground solar power plant projects with electricity generation capacity amounting to approximately 120MW. As at the date of this announcement, the acquisition of such project company has been completed.*

4. *The estimation of capital expenditure of the projects to be adopted in the Valuation Report under the relevant framework agreement will be based on the pre-development cost plus the estimated subsequent construction cost of the projects.*

5 *The estimation of capital expenditure of the projects to be adopted in the Valuation Report under the relevant framework agreements will be based on a predetermined internal rate of return of the projects.*

6. *The estimation of capital expenditure of the projects to be adopted in the Valuation Report under the relevant framework agreements will be based on:*

   (i) the net asset value of the project companies for those projects which have been completed; or

   (ii) the pre-development cost plus the estimated subsequent construction cost for the projects under development.

The following table summarises the projected capacities of the underlying projects to be included in the Valuation Report:

	2012		**2013**		**2014**		**2015**		**Total**
Types of solar power plants projects:	**Rooftop**	**Ground**	**Rooftop**	**Ground**	**Rooftop**	**Ground**	**Rooftop**	**Ground**	
1. Self-develop (in MW)	2	—	45	—	95	—	—	—	142
2. To be acquired from (in MW):									
GCL-Poly Investment	—	—	67	310	30	10	—	740	1,157
Zhongli Talesun	—	—	24	120	—	—	—	300	444
Independent Third Parties	—	—	5	—	150	266	—	—	421
Total (in MW)	**2**	**—**	**141**	**430**	**275**	**276**	**—**	**1,040**	**2,164**

Further details of the terms and conditions of the abovementioned agreements will be included in the circular to be despatched to the Shareholders.

Subject to the terms and conditions contained in the abovementioned agreements, the Target Group is entitled to, among others, invest, develop, operate and/or acquire the underlying solar power plant projects. The proposed investment, development and operation of solar power plant projects as contemplated by the relevant framework agreements as disclosed in the summary table above are subject to definitive agreements which will contain, *inter alia*, usual conditions precedent customary for similar transactions and subject to government approvals, agreement by the parties on the consideration, satisfactory due diligence results, and the then cash flow and capital sufficiency of the Group. Accordingly, the actual capital commitment and/or acquisition costs to be associated with such projects cannot be ascertained as at the date of this announcement.

The Company will make further announcement and will comply with all applicable requirements under the Listing Rules in relation to the entering into of such definitive agreements after the Completion as and when appropriate.

Some of the rights obtained by the Target Group under the above agreements regarding the solar power plant projects are beyond the scope and timeframe as adopted by the draft Valuation Report and accordingly such rights are not considered by the Independent Valuer in the preparation of the Valuation Report. The valuation of the Concession Rights, which amounts to a capacity of 2.16GW based on a list of proposed projects furnished by the Target Group to the Independent Valuer, is less than the maximum capacity of up to approximately 5GW as contemplated under the abovementioned agreements because of the following principal reasons:

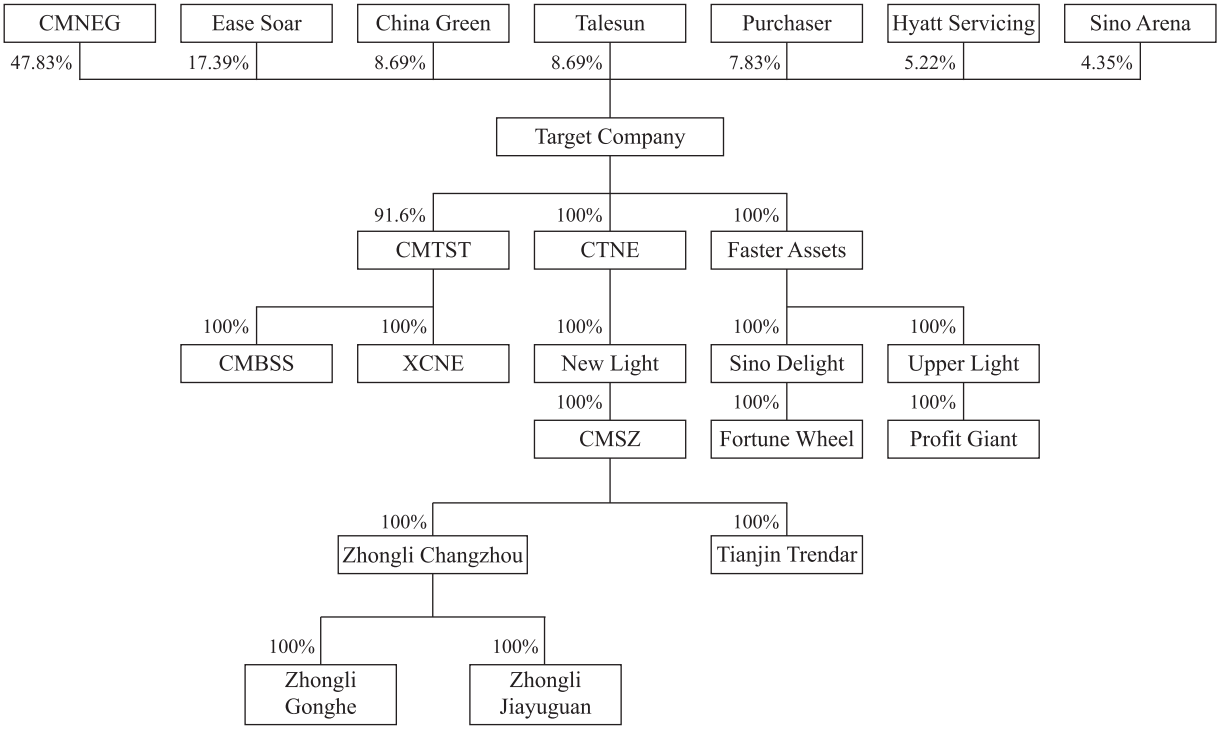
(1) there is no letter of intent with local government regarding certain ground-based solar power plant projects;

(2) insufficient information was provided in relation to individual project or project company by the cut-off date for ascertaining information; or

(3) certain projects are at a preliminary stage and are not expected to obtain all necessary approvals by 31 December 2015.

Structure of the Target Group

The structure of the Target Group as at the date of this announcement is set forth as follows:



CMTST is a company established in the PRC on 22 December 2006. Its registered capital is HK$32,750,000 which has been fully paid up. It is held as to 91.6% by the Target Company and as to 8.4% by 北京銀保弘迪股權投資管理中心(有限合夥) (Beijing Yin Bao Hong Di Shareholding Management Centre (Limited Partnership)*). To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, 北京銀保弘迪股權投資管理中心(有限合夥) (Beijing Yin Bao Hong Di Shareholding Management Centre (Limited Partnership)*) was an Independent Third Party as at the date of the Sale and Purchase Agreement. CMTST is principally engaged in the production and sales of solar modules, development of the solar technology, comprehensive utilisation and transfer of the technological achievements and the design and installation of the solar power system.

CTNE is a company incorporated in the BVI with limited liability on 8 January 2008 and a wholly-owned subsidiary of the Target Company. CTNE is principally engaged in investment holding business.

Faster Assets is a company incorporated in the BVI with limited liability on 3 January 2007 and a wholly-owned subsidiary of the Target Company. Faster Assets is principally engaged in investment holding business.

* *For identification purpose only*

CMBSS is a company established in the PRC on 25 June 2007 and a wholly-owned subsidiary of CMTST. Its registered capital is RMB13,710,000 which has been fully paid up. CMBSS is principally engaged in the production of solar power products, development of the solar technology, comprehensive utilisation and transfer of the technological achievements.

XCNE is a company established in the PRC on 26 August 2011 and a wholly-owned subsidiary of CMTST. Its registered capital is RMB500,000 which has been fully paid up. XCNE is principally engaged in the development of new energy technology, technical advisory and providing technical services.

New Light is a company incorporated in Hong Kong with limited liability on 1 September 2009 and a wholly-owned subsidiary of CTNE. New Light is principally engaged in provision of administration services to the Target Group.

Sino Delight is a company incorporated in the BVI with limited liability on 31 May 2012 and a wholly-owned subsidiary of Faster Assets. Sino Delight is principally engaged in investment holding business.

Upper Light is a company incorporated in the BVI with limited liability on 6 September 2012 and a wholly-owned subsidiary of Faster Assets. Upper Light is principally engaged in investment holding business.

CMSZ is a company established in the PRC on 27 April 2012 and a wholly-owned subsidiary of New Light. Its registered capital is HK$65,000,000 and its paid-up capital is HK$55,000,000. CMSZ is principally engaged in design and installation of solar power systems, research and development of solar power products and solar technology, promotion and transfer of technological achievements, research, development and technical maintenance of energy saving technology and the environmental protection technology, import and export of products and technologies.

Fortune Wheel is a company incorporated in Hong Kong with limited liability on 19 April 2012 and a wholly-owned subsidiary of Sino Delight. Fortune Wheel is principally engaged in investment holding business.

Profit Giant is a company incorporated in Hong Kong with limited liability on 27 September 2012 and a wholly-owned subsidiary of Upper Light. Profit Giant is principally engaged in investment holding business.

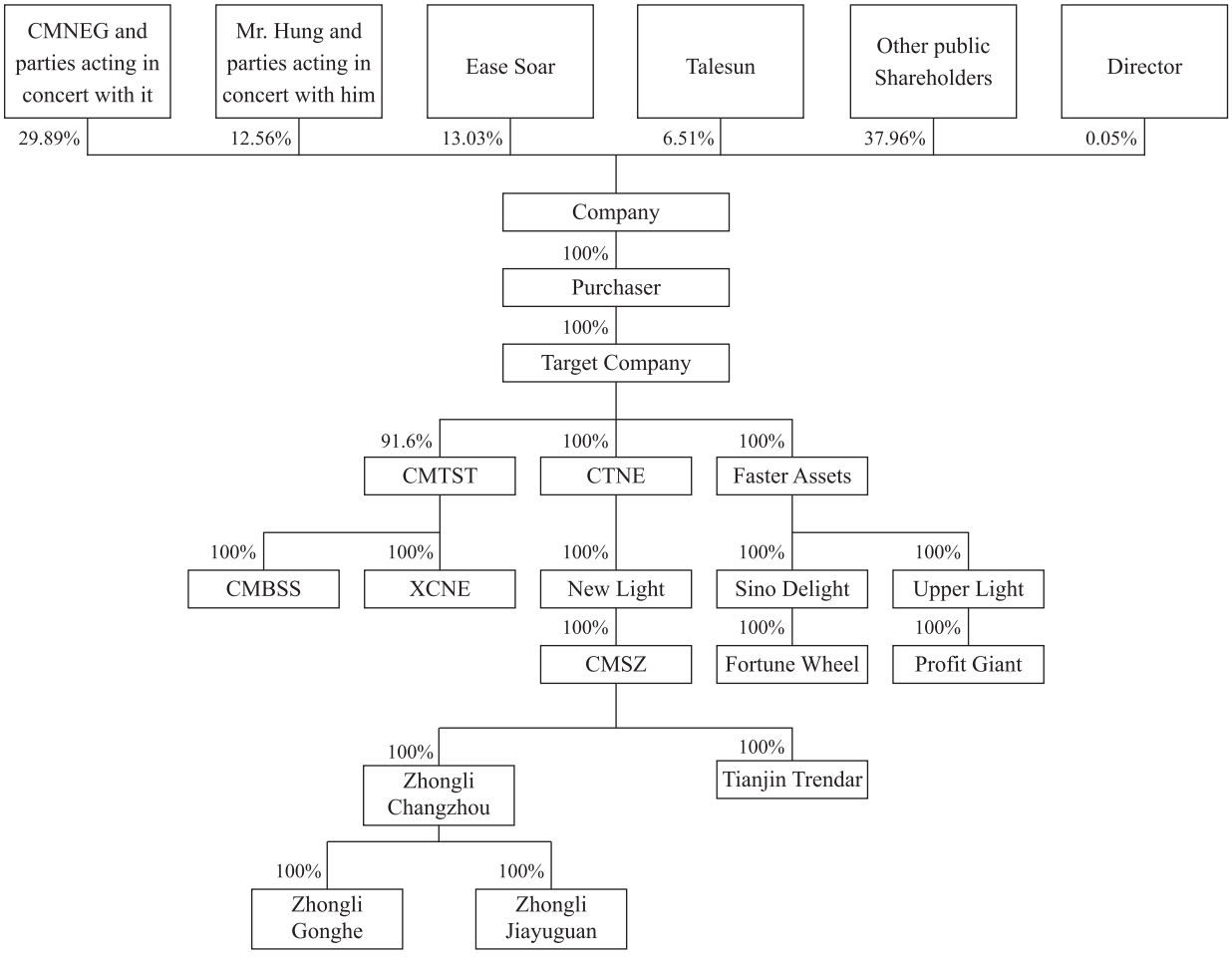
Zhongli Changzhou is a company established in the PRC on 12 June 2012 and a wholly-owned subsidiary of CMSZ. Its registered capital is RMB10,000,000 which has been fully paid up. Zhongli Changzhou is principally engaged in investment, construction, operation, maintenance and management of solar power plants.

Tianjin Trendar is a company established in the PRC on 5 November 2012 and a wholly-owned subsidiary of CMSZ. Its registered capital is RMB1,000,000 which has been fully paid up. Tianjin Trendar is principally engaged in design and installation of solar power systems, research and development of solar technology and products, promotion and transfer of technological achievements, research, development and technical maintenance of energy saving technology and environmental technology, import and export of products and technologies.

Zhongli Gonghe is a company established in the PRC on 12 September 2012 and a wholly-owned subsidiary of Zhongli Changzhou. Its registered capital is RMB10,000,000 which has been fully paid up. Zhongli Gonghe is principally engaged in investment, construction, operation, maintenance and management of solar power plants.

Zhongli Jiayuguan is a company established in the PRC on 16 May 2012 and a wholly-owned subsidiary of Zhongli Changzhou. Its registered capital is RMB271,785,558 which has been fully paid up. Zhongli Jiayuguan is principally engaged in investment, construction, operation, maintenance and management of solar power plants.

The structure of the Target Group upon Completion is set forth as follows:



Financial information of the Target Group

Set out below are certain unaudited consolidated financial information of the Target Group for each of the two financial years ended 31 December 2011 and for the six-month period ended 30 June 2012 prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2010 *RMB'000 (unaudited)*	**For the year ended 31 December 2011** *RMB'000 (unaudited)*	**For the six months ended 30 June 2012** *RMB'000 (unaudited)*
Revenue	44,967	60,144	3,044*
Net profit/(loss) before tax	1,744	(728)	(7,619)
Net profit/(loss) after tax	1,681	(728)	(6,489)

* During the six months ended 30 June 2012, the Target Group was considered as an agent in certain sales transactions undertaken with a subsidiary of the Company at gross billing of approximately RMB107 million. The related revenue was stated at net basis according to HKAS 18 Revenue.

As at 31 December 2011 and 30 June 2012, the unaudited consolidated net asset value of the Target Group was approximately RMB441,000 and RMB227,482,000, respectively.

INFORMATION OF THE VENDORS

CMNEG

CMNEG is a limited liability company incorporated in the BVI on 5 May 2004. It is an investment holding company which is engaged in the renewable energy business through its subsidiaries.

CMNEG is held as to approximately 53.56% by Snow Hill, approximately 9.44% by Pairing Venture and approximately 37% by Magicgrand. Snow Hill is held by an indirect wholly-owned subsidiary of China Merchants Group Limited, which is a state-owned enterprise established in the PRC. China Merchants Group Limited is under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). Magicgrand is held as to approximately 38.83% by Mr. Alan Li who was an Independent Third Party as at the date of this announcement and approximately 61.17% by Pairing Venture. Pairing Venture is held as to 100% by Mr. Alan Li.

Ease Soar

Ease Soar is a limited liability company incorporated in the BVI on 6 March 2012. It is an indirect wholly-owned subsidiary of GCL-Poly, the shares of which are listed on the Main Board of the Stock Exchange. GCL-Poly and its subsidiaries are principally engaged in the

manufacturing of polysilicon and wafers for the solar energy industry as well as the development, construction, management and operation of power plants. Power plants include cogeneration power plants, solar farms and rooftop solar projects.

China Green

China Green is a limited liability company incorporated in the BVI on 17 January 2007. As at the date of this announcement, China Green was interested in 22,905,621 Shares, representing approximately 2.60% of the issued share capital of the Company. China Green is an indirect wholly-owned subsidiary of EBOD, the common shares of which are listed on NASDAQ. EBOD is mainly engaged in the manufacturing and sales of solar photovoltaic modules for electricity generation and the related application products, such as off-grid solar systems, solar lighting and photovoltaic chargers. The Target Company was set up as a wholly-owned subsidiary of China Green on 6 March 2007.

Talesun

Talesun is a limited liability company incorporated in Hong Kong on 24 May 2011. It is held by Zhongli Talesun, which is held as to 66.29% by Zhongli, the A-shares of which are listed on the Shenzhen Stock Exchange, 30.96% by Mr. Wang Baixing and 2.75% by Jiangsu Zhongding. Zhongli engages in the manufacturing and sales of, among others, wires, cables communication devices, as well as photovoltaic products, such as solar cells and photovoltaic modules, for the solar energy industry. Zhongli is also engaged in developing, constructing and operating solar power plants in the PRC.

Hyatt Servicing

Hyatt Servicing is a limited liability company incorporated in the BVI on 21 November 1990. It is owned as to approximately 99.99% by Mr. Hung and approximately 0.01% by Mr. Chan Pang Ching. Hyatt Servicing is an investment holding company.

Mr. Hung and Jet Mile, a company which was owned as to 66.70% by Mr. Hung, were interested in an aggregate of 157,312,803 Shares, representing approximately 17.84% of the issued share capital of the Company as at the date of this announcement. Jet Mile also held the Jet Mile Convertible Notes in the principal amount of HK$850,000,000 due 2015 convertible into 1,579,925,651 Shares at the conversion price of HK$0.538 (subject to adjustment) as at the date of this announcement. Hyatt Servicing being an associate of Mr. Hung, who is a substantial shareholder of the Company, is a connected person of the Company under the Listing Rules. Hyatt Servicing became a shareholder of the Target Company on 23 May 2012 pursuant to a sale and purchase agreement dated 14 May 2012 at the consideration of HK$14,400,000.

Sino Arena

Sino Arena is a limited liability company incorporated in the BVI on 6 July 2012. Mr. Zeng Xiangyi, a director of CMNEG is the sole shareholder and the sole director of Sino Arena. Sino Arena is the trustee holding 25,000,000 shares of the Target Company on trust for the benefit of the Participants. Upon Completion, Sino Arena will hold the Consideration Shares and the Convertible Bonds (as the case may be) on trust for the benefit of the Participants.

REASONS FOR THE ACQUISITION

The Group is principally engaged in solar energy business with focus on solar silicon cell manufacturing. The Group manufactures mono-crystalline and multi-crystalline silicon solar cells under its own brand. The solar cells produced by the Group are components used to turn sunlight into electricity in the solar energy system and are sold to photovoltaic module manufacturers. Solar modules can be used for rooftop installation for electricity generation, water pump systems and power plants. The Group also provides processing service for silicon wafer suppliers. The Group does not produce silicon wafer but receives silicon wafer from the silicon wafer suppliers to manufacture solar cells for them.

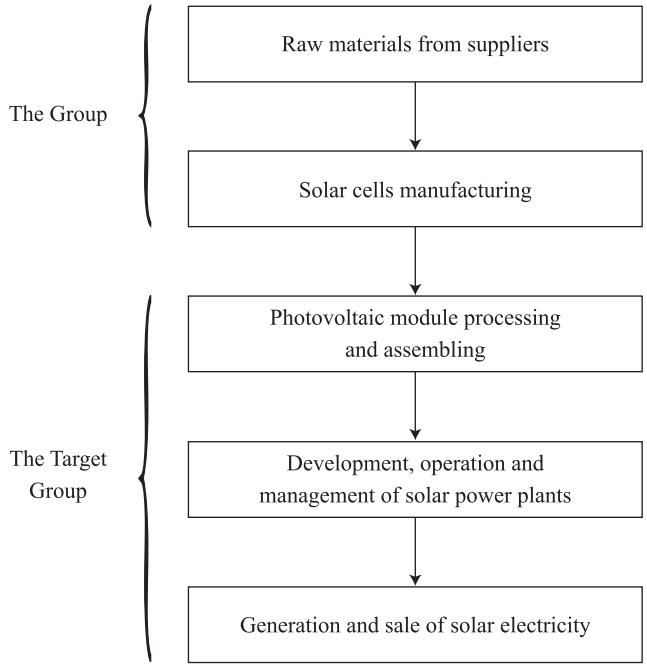
In 2011, the Group commenced the development of a 10.8MW user on-grid photovoltaic power generation demonstration project. Such project has been selected as one of the projects eligible for the Golden Sun Program through which the relevant members of the Board have acquired relevant experiences in the management and operation of businesses similar to those of the Target Group.

The Target Group is principally engaged in the design, development, investment, operation and management of solar power plants, both ground-based solar power plants and rooftop solar power plants and systems. The Target Group also engages in the assembling of solar modules, which can be installed for solar electricity generation, through its subsidiary in Fujian Province of the PRC.

During the past few years, the price of photovoltaic products recorded a sharp decrease caused by the slowdown of demand due to the economic downturn in the United States of America, the European debt crisis and the oversupply of raw materials in the market worldwide. However, the various supporting state and local policies for solar energy industry in the PRC and the declining cost and price for photovoltaic products have led to lower installation costs and a better return for solar power plant operators in the PRC. The Company is concerned about the impact of the continued deterioration of the business climate for photovoltaic products and has been looking for opportunities to expand its business downstream which is growing and capable of providing a stable source of income.

In the solar energy industry supply chain, polysilicon is the primary raw material for silicon wafer used in solar wafer production. Wafers are further processed by downstream manufacturers to produce solar cells and solar cells are further assembled into photovoltaic modules. Photovoltaic modules are used to build into a matrix of panels for converting sunlight into electric power in both ground-based solar power plants and rooftop solar power plants.

The following diagram illustrates the simplified business process for the Enlarged Group after Completion:



As illustrated above, the Acquisition will enable the Group to achieve a vertical integration of its solar energy business as upon Completion. The Group as enlarged by the Target Group will have the capacity to manufacture solar cells, which can be used to produce photovoltaic modules for use in, among others, constructing rooftop solar power plant in the solar power projects of the Enlarged Group. The Group is a supplier of solar cells to the Target Group and the Acquisition will increase the internal consumption of the solar cells produced by the Enlarged Group and will also provide the Enlarged Group with a better return on its capital for stable income from government subsidies for its solar power projects. The Acquisition not only provides a synergy effect to the existing solar energy business of the Group, but also enables the Group to transform from a purely solar energy materials manufacturer to a service supplier of solar electricity.

Furthermore, in July 2012, the PRC government has promulgated China's Twelfth Five-Year Plan for the Solar Power Generation Development (the "**Twelfth Five-Year Plan**") which projected a cumulative installed capacity of 21GW and 50GW solar power plants by end of 2015 and 2020, respectively. The Twelfth Five-Year Plan may direct a total investment of approximately RMB250 billion in the solar power projects during the period of the Twelfth Five-Year Plan. In light of the capacity projected in the Twelfth Five-Year Plan, the Target Company has responded promptly and found ways to expand its capacity so as to capture the potential business opportunities by, among others, entering into certain framework agreements for the strategic cooperation with several market players in the solar energy industry for the investment, development and operation of solar power plant projects.

For the reasons given above, the Directors believe that the Acquisition would enhance the future growth and profitability of the Group.

In view of the above, and taking into account the factors considered by Board as detailed in the paragraph headed "Basis of Consideration" above and the Profit Guarantee being an additional coverage to the Group in the event that the Target Group does not deliver such performance as contemplated, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group currently intends to continue its existing business and there is no agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any disposal, termination or scaling down of the Group's existing businesses or assets up to the date of this announcement.

Furthermore, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the settlement method of the Consideration involving the issue of the Convertible Bonds is favourable to the Group at the juncture of its development given that it enables the Group to implement the Acquisition without significant outlay of cash and preserve its currently available cash for future development of its business, and thus, is considered to be in the interests of the Company and the Shareholders as a whole. The Company did not have any fund raising activities in the 12 months immediately preceding the date of this announcement.

Listing Rules Implications

As more than one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules, exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, one of the Vendors, Hyatt Servicing, was a company owned as to approximately 99.99% by Mr. Hung. Mr. Hung and Jet Mile, a company which was owned as to 66.70% by Mr. Hung, were interested in an aggregate of 157,312,803 Shares, representing approximately 17.84% of the issued share capital of the Company as at the date of this announcement. Jet Mile also held the Jet Mile Convertible Notes in the principal amount of HK$850,000,000 convertible into 1,579,925,651 Shares at the conversion price of HK$0.538 per Share (subject to adjustment) as at the date of this announcement. Hyatt Servicing, being an associate of Mr. Hung, who is a substantial shareholder of the Company, is a connected person of the Company under the Listing Rules. The Acquisition constitutes a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to approval of the Independent Shareholders at the SGM.

Mr. Hung and his associates (including Jet Mile), China Green, which is one of the Vendors and held 22,905,621 Shares as at the date of this announcement, and its associates will be required to abstain from voting at the SGM in respect of the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder. To avoid any potential conflict of interest, Mr. Hong, who held 1,800,000 Shares as at the date of this announcement who is acting in concert with Mr. Hung, and his associates will also abstain from voting at the SGM in respect of the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge and information after having made all reasonable enquiries, other than Mr. Hung, Mr. Hong and China Green and their respective associates, none of the Shareholders has any interest in the transactions contemplated under the Sale and Purchase Agreement which is different from other Shareholders.

CHANGES IN THE COMPANY'S SHAREHOLDING STRUCTURE

As at the date of this announcement, except for the outstanding 4,025,191 Share Options and the outstanding Jet Mile Convertible Notes in the principal amount of HK$850,000,000 convertible into 1,579,925,651 Shares at the conversion price of HK$0.538 per Share (subject to adjustment), the Company had no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares. Assuming that there is no other allotment and issue or repurchase of Shares and no exercise of the subscription rights attaching to the outstanding Share Options, the following table, **which is for illustrative purpose only**, sets out the shareholding structure of the Company as at the date of this announcement and the changes thereof under different scenarios.

Name of Shareholder	As at the date of this announcement		Immediately upon exercise in full of the conversion rights attaching to the Jet Mile Convertible Notes without adjustment to its conversion price *(Note 5)*		Immediately upon the allotment and issue of the Consideration Shares (assuming no exercise of the conversion rights attaching to the Jet Mile Convertible Notes and the Convertible Bonds)		Immediately upon the allotment and issue of the Consideration Shares and Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bonds (assuming no exercise of the conversion rights attaching to the Jet Mile Convertible Notes and no adjustment to the Conversion Price) *(Note 6)*		Immediately upon the allotment and issue of the Consideration Shares and the Conversion Shares reaching to each of the Vendor's conversion restriction's limits (if any) under the terms and conditions of the Convertible Bonds		Immediately upon the allotment and issue of (i) the Consideration Shares; (ii) the Conversion Shares reaching to each of the Vendor's conversion restriction's limits (if any) under the terms and conditions of the Convertible Bonds; and (iii) the new Shares upon the exercise of the conversion rights attaching to Jet Mile Convertible Bonds reaching to the conversion restriction under the terms and conditions of the Jet Mile Convertible Bonds *(Notes 4, 5 and 6)*		Immediately upon the allotment and issue of (i) the Consideration Shares, (ii) the Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bonds without adjustment of the Conversion Price and (iii) the new Shares upon the exercise in full of the conversion rights attaching to the Jet Mile Convertible Notes without adjustment to its conversion price *(Notes 4, 5 and 6)*	
	Number of Shares	*% (approx.)*	*Number of Shares*	*% (approx.)*	*Number of Shares*	*% (approx.)*	*Number of Shares*	*% (approx.)*	*Number of Shares*	*% (approx.)*	*Number of Shares*	*% (approx.)*	*Number of Shares*	*% (approx.)*
Director *(Note 1)*														
Ms. Lin Xia Yang	1,000,000	0.11	1,000,000	0.04	1,000,000	0.05	1,000,000	0.03	1,000,000	0.04	1,000,000	0.04	1,000,000	0.02
CMNEG and parties acting in concert with it														
CMNEG	—	—	—	—	467,538,250	25.39	1,100,090,000	36.65	590,721,250	26.22	691,532,250	26.70	1,100,090,000	24.01
China Green	22,905,621	2.60	22,905,621	0.93	62,879,621	3.41	222,775,621	7.42	62,879,621	2.79	62,879,621	2.43	222,775,621	4.86
Sino Arena *(Note 2)*	—	—	—	—	20,010,000	1.09	100,050,000	3.33	20,010,000	0.89	20,010,000	0.77	100,050,000	2.18
Sub-total:	**22,905,621**	**2.60**	**22,905,621**	**0.93**	**550,427,871**	**29.89**	**1,422,915,621**	**47.40**	**673,610,871**	**29.90**	**774,421,871**	**29.90**	**1,422,915,621**	**31.05**
Ease Soar	—	—	—	—	239,982,000	13.03	399,970,000	13.32	399,970,000	17.76	399,970,000	15.45	399,970,000	8.73
Mr. Hung and parties acting in concert with him														
Mr. Hung	64,376,000	7.30	64,376,000	2.61	64,376,000	3.50	64,376,000	2.14	64,376,000	2.86	64,376,000	2.49	64,376,000	1.41
Mr. Hong	1,800,000	0.20	1,800,000	0.07	1,800,000	0.10	1,800,000	0.06	1,800,000	0.08	1,800,000	0.07	1,800,000	0.04
Jet Mile *(Note 3)*	92,936,803	10.54	1,672,862,454	67.95	92,936,803	5.05	92,936,803	3.10	92,936,803	4.13	329,135,803	12.71	1,672,862,454	36.51
Hyatt Servicing *(Note 4)*	—	—	—	—	72,036,000	3.91	120,060,000	4.00	120,060,000	5.33	120,060,000	4.63	120,060,000	2.62
Sub-total:	**159,112,803**	**18.04**	**1,739,038,454**	**70.63**	**231,148,803**	**12.56**	**279,172,803**	**9.30**	**279,172,803**	**12.40**	**515,371,803**	**19.90**	**1,859,098,454**	**40.58**
Public Shareholders														
Talesun	—	—	—	—	119,922,000	6.51	199,870,000	6.66	199,870,000	8.87	199,870,000	7.72	199,870,000	4.36
Other public Shareholders	698,889,965	79.25	698,889,965	28.40	698,889,965	37.96	698,889,965	23.29	698,889,965	31.03	698,889,965	26.99	698,889,965	15.26
Total:	**881,908,389**	**100.00**	**2,461,834,040**	**100.00**	**1,841,370,639**	**100.00**	**3,001,818,389**	**100.00**	**2,252,513,639**	**100.00**	**2,589,523,639**	**100.00**	**4,581,744,040**	**100.00**

Notes:

1. *As at the date of this announcement, Ms. Lin Xia Yang held the Share Options to subscribe for 1,225,191 Shares at the exercise price of HK$0.6624 per Share. Each of Mr. Yiu Ka So, Academician Yao Jiannian and Mr. Ip Shu Kwan, Stephen held the Share Options to subscribe for 1,000,000 Shares, 1,000,000 Shares and 800,000 Shares, respectively at the exercise price of HK$1.434 per Share.*

2. *As at the date of this announcement, Sino Arena held 25,000,000 shares of the Target Company (represented approximately 4.35% of the issued shares of the Target Company) for the benefit of the Participants under the EIS adopted by the Target Company on 31 July 2012.*

3. *As at the date of this announcement, Jet Mile held the Jet Mile Convertible Notes in the outstanding principal amount of HK$850,000,000 convertible into 1,579,925,651 Shares at the conversion price of HK$0.538 (subject to adjustment).*

4. *Under the terms and conditions of the Convertible Bonds to be issued to Hyatt Servicing, Hyatt Servicing, as a Bondholder, shall not exercise the conversion rights attaching thereto if immediately after such conversion, (i) the minimum public float requirement for the Company as required under the Listing Rules could not be maintained; or (ii) Hyatt Servicing, its Affiliates and their parties acting in concert, whether alone or together with parties acting in concert with it will, directly or indirectly, control or be interested in 19.90% or more of the voting rights of the Company (or in such other percentage lower than 19.90% as may from time to time be specified in the Takeovers Code which will result in Hyatt Servicing, its Affiliates and their parties acting in concert being presumed as a party acting in concert with any Shareholder and parties acting in concert with such Shareholder).*

5. ***This scenario is for illustrative purpose only and shall not occur.*** *Under the terms and conditions of the Jet Mile Convertible Notes, Jet Mile and/or the parties acting in concert with it shall not exercise the conversion rights attaching thereto if immediately after such conversion, (i) Jet Mile and party(ies) acting in concert with it will be interested in 20% or more of the enlarged issued share capital of the Company; or (ii) there will not be sufficient public float of the Shares as required under the Listing Rules.*

6. ***This scenario is for illustrative purpose only and shall not occur.*** *Under the terms and conditions of the Convertible Bonds, the Conversion Rights cannot be exercised by any Bondholder to the extent that if immediately after such conversion, (i) the minimum public float requirement for the Company as required under the Listing Rules could not be maintained; or (ii) the Bondholder (other than Hyatt Servicing, its Affiliates and their parties acting in concert), whether alone or together with party(ies) acting in concert with it will, directly or indirectly, control or be interested in 29.90% or more of the voting rights of the Company.*

As a result of the proposed issuance of Consideration Shares and Conversion Shares pursuant to the Sale and Purchase Agreement and the bond instruments of the Convertible Bonds, adjustments will need to be made to the exercise price and/or the number of Shares to be issued upon exercise of subscription rights attaching to the Share Options and upon exercise of the conversion rights attaching to the Jet Mile Convertible Notes in accordance with the respective terms and conditions thereof. The Company will announce the adjustments to be made to the outstanding Share Options and Jet Mile Convertible Notes as and when appropriate.

Based on the above, approximately 29.95% of the Shares will be held by the public upon completion of the allotment and issue of the Consideration Shares and the Conversion Shares. Therefore, the Company will have sufficient public float upon completion of the allotment and issue of the Consideration Shares and the Conversion Shares.

Specific Mandate to issue new Shares

Under the Sale and Purchase Agreement, the Company shall issue the Consideration Shares and the Convertible Bonds to the Vendors as the Consideration on Completion. The Company will seek the grant of Specific Mandate from the Independent Shareholders at the SGM to satisfy the allotment and issue of the Consideration Shares and the Conversion Shares upon the exercise of the Conversion Rights.

Application for Listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares to be issued upon conversion pursuant to the terms and conditions of the Convertible Bonds.

CONTINUING CONNECTED TRANSACTIONS

It is contemplated that upon Completion, certain transactions will continue or be entered into (i) between the Enlarged Group and CMNEG Group; (ii) between the Enlarged Group and GCL-Poly Group; and (iii) between the Enlarged Group and EBOD Group. Such transactions include (i) the provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group; (ii) the supply of materials from members of GCL-Poly Group to members of the Enlarged Group; (iii) the supply of materials from members of the Enlarged Group to members of EBOD Group; and (iv) the provision of processing services by members of the Enlarged Group to members of the EBOD Group.

A. Provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group

CTNE, a member of the Target Group, entered into three framework agreements with members of the CMNEG Group, which set out the overriding and principal terms, among others, for the provision of solar electricity by CTNE to members of CMNEG Group. Details of the terms and conditions for such solar electricity provision service contemplated under the relevant framework agreements will be dealt with in separate solar electricity supply and energy saving service agreement(s), which will be in line with the Group's policies and may vary according to the prevailing market conditions and change in the relevant rules, regulations and state policy applicable to solar energy industry.

1. On 29 December 2011, CTNE and CSOSA, a member of CMNEG Group entered into a framework agreement, whereby the parties agreed, among others, the provision of solar electricity by CTNE to CSOSA and its affiliates. Details of the terms and conditions for the provision of solar electricity as contemplated will be determined by solar electricity supply and energy saving service agreement(s) to be entered into by CTNE or its subsidiaries with CSOSA or its affiliates. It is anticipated that CTNE or its subsidiaries operating solar power plants will enter into solar electricity supply and energy saving service agreement(s) with CSOSA or its affiliates for the supply of solar electricity and provision of related electricity saving services by CTNE or its subsidiaries for the coming three financial years ending 31 December 2015.

   Term — The term of the framework agreement is a period of 25 years commencing from the date of the framework agreement.

   Pricing — Transactions will be entered into in the ordinary and usual course of business of the Enlarged Group and on normal commercial terms and if there are no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms no less favourable available to Independent Third Parties on the basis that they will be fair and reasonable so far as the independent Shareholders are concerned and in accordance with relevant rules and regulations of the government (including the standard price for electricity supply promulgated by the local Price Control Administration (物價局)), which will be adjusted in accordance the applicable rules and regulations from time to time.

   Existing transaction(s) — There was no solar electricity supply and energy saving service agreement(s) signed pursuant to the relevant framework agreement as at the date of this announcement.

2. On 30 December 2011, CTNE and CMBL, a member of CMNEG Group entered into a framework agreement, whereby the parties agreed, among others, the provision of solar electricity by CTNE to CMBL and its affiliates. Details of the terms and conditions for the provision of solar electricity as contemplated will be determined by solar electricity supply and energy saving service agreement(s) to be entered into by CTNE or its subsidiaries with CMBL or its affiliates. It is anticipated that CTNE or its subsidiaries operating solar power plants will enter into solar electricity supply and energy saving service agreement(s) with CMBL or its affiliates for the supply of solar electricity and provision of related electricity saving services by CTNE or its subsidiaries for the coming three financial years ending 31 December 2015.

   Term — The term of the framework agreement is a period of 25 years commencing from the date of the framework agreement.

   Pricing — Transactions will be entered into in the ordinary and usual course of business of the Enlarged Group and on normal commercial terms and if there are no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms no less favourable available to Independent Third Parties on the basis that they will be fair and reasonable so far as the independent Shareholders are concerned and in accordance with relevant rules and regulations of the government (including the standard price for electricity supply promulgated by the local Price Control Administration (物價局)), which will be adjusted in accordance the applicable rules and regulations from time to time.

   Existing transaction(s) — On 25 May 2012, CMSZ, a subsidiary of CTNE, and CMBL entered into a solar electricity supply and energy saving service agreement for the supply of solar electricity and provision of related energy saving services by CMSZ to CMBL for a term of 20 years commencing from 3 May 2012 and expiring on 2 May 2032. Pursuant to the relevant framework agreement and the solar electricity supply and energy service agreement, the price payable for the provision of solar electricity shall be the standard price for electricity supply promulgated by the local Price Control Administration (物價局) and to be adjusted in accordance the applicable rules and regulations from time to time and the initial price is RMB0.715/kwh. If the parties fail to agree on the adjustment on the price, either party may terminate the agreement.

3. On 28 November 2011, CTNE and CMLH, a member of CMNEG Group entered into a framework agreement, whereby the parties agreed, among others, the provision of solar electricity from CTNE to CMLH and its affiliates. Details of the terms and conditions for the provision of solar electricity as contemplated will be determined by solar electricity supply and energy saving service agreement(s) to be entered into by CTNE or its subsidiaries with CMLH or its affiliates. It is anticipated that CTNE or its subsidiaries operating solar power plants will enter into solar electricity supply and energy saving service agreement(s) with CMLH and its affiliates for the supply of solar electricity and provision of related energy saving services by CTNE or its subsidiaries for the coming three financial years ending 31 December 2015.

   Term — The term of the framework agreement is a period of 25 years commencing from the date of the framework agreement.

   Pricing — Transactions will be entered into in the ordinary and usual course of business of the Enlarged Group and on normal commercial terms and if there are no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms no less favourable available to Independent Third Parties and in accordance with relevant rules and regulations of the government (including the standard price for electricity supply promulgated by the local Price Control Administration (物價局)), which will be adjusted in accordance the applicable rules and regulations from time to time.

   Existing transaction(s) — There was no solar electricity supply and energy saving service agreement(s) signed pursuant to the relevant framework agreement as at the date of this announcement.

B. Supply of materials from members of GCL-Poly Group to members of the Enlarged Group

1. On 3 December 2010, GPQST, a member of the Group and GCLPT, a member of the GCL-Poly Group entered into a supply agreement for the supply of polysilicon from GCLPT to members of the Group. The supply agreement sets out the overriding and principal terms for the transactions to be carried out by the relevant parties. Details of the terms and conditions for the supply of polysilicon as contemplated will be determined on an individual purchase order basis, which will be in line with the Group's policies and may vary according to the prevailing market conditions.

   Term — The term of the supply agreement will expire on 2 December 2015 and about three months prior to the expiry date, the parties will negotiate for a renewed agreement with such terms and conditions as may be agreed.

   Pricing — Transactions will be entered into in the ordinary and usual course of business of the Enlarged Group and on normal commercial terms and if there are no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms no less favourable than the terms available from Independent Third Parties on the basis that they will be fair and reasonable so far as the independent Shareholders are concerned. The market price of polysilicon is volatile and may have great variation every month. The price will be agreed upon by the parties for transactions each month by reference to market price listed on the website of PV Insights (pvinsights.com), an international solar photovoltaic research firm which provides reports, advisory service and price reports and has its solar photovoltaic analysts, contacts and methodologies in information analyses, market forecasts and consulting services. Payments for the transactions will be at such credit terms as may be agreed between the parties on normal commercial terms and no less favourable to the Company than terms available from Independent Third Parties.

C. Supply of materials from members of the Enlarged Group to members of EBOD Group

1. On 20 November 2012, GPQST, a member of the Group and LRTQ, a member of EBOD Group entered into a supply agreement for the supply of solar cells from GPQST to LRTQ. The supply agreement sets out the overriding and principal terms for the transactions to be carried out by the relevant parties. Details of the terms and conditions for the supply of solar cells as contemplated will be determined on an individual purchase order basis, which will be in line with the Group's policies and may vary according to the prevailing market conditions.

   Term — The term of the supply agreement is a period of 3 years commencing from 1 January 2013 and expiring on 30 December 2015.

   Pricing — Transactions will be entered into in the ordinary and usual course of business of the Enlarged Group and on normal commercial terms and if there are no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms no less favourable available from Independent Third Parties. The market price of solar cells is volatile and may have great variation every month. The price will be agreed upon by the parties for transactions each month by reference to the market price listed on the website of PV Insights (pvinsights.com), an international solar photovoltaic research firm.

D. Provision of processing services by members of the Enlarged Group to members of the EBOD Group

1. On 16 November 2012, CMTST, a member of the Target Group and LRTQ, a member of the EBOD Group entered into an agreement for provision of processing service from CMTST to LRTQ, whereby CMTST will process the solar cells provided by LRTQ into solar modules.

   Term — The term of the processing service agreement is a period of 3 years commencing from 1 January 2013 and expiring on 30 December 2015.

   Pricing — The provision of processing services will be provided on normal commercial terms, in the absence of specific official price for similar services and sufficient comparable transactions to assess whether they are on normal commercial terms, which terms will be no less favourable than the terms available to Independent Third Parties. Pursuant to the processing service agreement, the unit price is RMB2.4 per watt for the processing services, which is determined by reference to price offered by the Target Group to Independent Third Parties.

Requirements of the Listing Rules

Transactions with CMNEG Group

Upon Completion, CMNEG will be interested in approximately 25.39% of the issued share capital of the Company and will therefore become a connected person of the Company. Transactions between the Enlarged Group and CMNEG Group constitute continuing connected transactions under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules under the aggregate annual amounts of the Continuing Connected Transactions falling within category (A) provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group will exceed 5% and the aggregate annual consideration for those Continuing Connected Transactions is expected to exceed HK$10,000,000, the Continuing Connected Transactions falling within category (A) provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group should be subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CMNEG Group and its associates will abstain from voting on the resolutions to approve the Continuing Connected Transactions falling within category (A) provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group if any of them hold any Shares as at the date of the SGM.

Transactions with GCL-Poly Group

Upon Completion, GCL-Poly will be interested in approximately 13.03% of the issued share capital of the Company and will therefore become a connected person of the Company. Transactions between the Enlarged Group and GCL-Poly Group constitute continuing connected transactions under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules under the aggregate annual amounts of the Continuing Connected Transactions falling within category (B) supply of materials from members of GCL-Poly Group to members of the Enlarged Group will exceed 5% and the aggregate annual consideration for those Continuing Connected Transactions is expected to exceed HK$10,000,000, the Continuing Connected Transactions falling within category (B) supply of materials from members of GCL-Poly Group to members of the Enlarged Group should be subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GCL-Poly Group and its associates will abstain from voting on the resolutions to approve the Continuing Connected Transactions falling within category (B) supply of materials from members of GCL-Poly Group to members of the Enlarged Group if any of them hold any Shares as at the date of the SGM.

Transactions with EBOD Group

Upon Completion, EBOD will be interested in approximately 3.41% of the issued share capital of the Company. As EBOD is an associate of CMNEG, it will therefore also become a connected person of the Company upon Completion. Transactions between the Enlarged Group and EBOD Group constitute continuing connected transactions under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules under the respective aggregate annual amounts of the Continuing Connected Transactions falling within each of (C) supply of materials from members of the Enlarged Group to members of EBOD Group and (D) provision of processing services by members of the Enlarged Group to members of EBOD Group will exceed 5% and the aggregate annual consideration for those Continuing Connected Transactions falling within each of the categories (C) and (D) is expected to exceed HK$10,000,000, the Continuing Connected Transactions falling within the categories of (C) supply of materials from members of the Enlarged Group to members of EBOD Group; and (D) provision of processing services by members of the Enlarged Group to members of EBOD Group should be subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EBOD Group and its associates will abstain from voting on the resolutions to approve the Continuing Connected Transactions falling within categories (C) supply of materials from members of the Enlarged Group to members of EBOD Group and (D) provision of processing services by members of the Enlarged Group to members of EBOD Group if any of them hold any Shares as at the date of the SGM.

Proposed Annual Caps

The following table sets out the proposed Annual Caps of the Continuing Connected Transactions for the three financial years ending 31 December 2015:

Continuing Connected Transactions		Major type of products/services	For the financial year ending 31 December		
			2013 Proposed Cap *(RMB'000)*	2014 Proposed Cap *(RMB'000)*	2015 Proposed Cap *(RMB'000)*
A.	**Provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group**				
A1	Provision of solar electricity by the Enlarged Group to CSOSA and its affiliates	Solar electricity	1,716	1,750	1,785
A2	Provision of solar electricity by the Enlarged Group to CMBL and its affiliates	Solar electricity	15,444	15,753	16,068
A3	Provision of solar electricity by the Enlarged Group to CMLH and its affiliates	Solar electricity	46,475	94,809	96,705
Total for this category A			**63,635**	**112,312**	**114,558**
B.	**Supply of materials from members of GCL-Poly Group to members of the Enlarged Group**				
B1	Supply of polysilicon from members of GCL-Poly Group to members of Enlarged Group	Polysilicon	**320,000**	**320,000**	**320,000**
C.	**Supply of materials from members of the Enlarged Group to members of EBOD Group**				
C1	Supply to solar cells from members of the Enlarged Group to LRTQ	Solar cells	**184,000**	**184,000**	**184,000**
D.	**Provision of processing services by members of the Enlarged Group to members of EBOD Group**				
D1	Provision of processing services to LRTQ from members of the Enlarged Group	Processing services	**160,000**	**160,000**	**160,000**

Basis in determining the proposed Annual Caps

In determining the proposed Annual Caps for those Continuing Connected Transactions involving provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group (Category A), the Board has taken into account:

(1) the said framework agreement entered into between CTNE and CSOSA dated 29 December 2011 in relation to, among others, the supply of solar electricity from CTNE;

(2) the said framework agreement entered into between CTNE and CMBL dated 30 December 2011 in relation to, among others, the supply of solar electricity from CTNE;

(3) the said framework agreement entered into between CTNE and CMLH dated 28 November 2011 in relation to, among others, the supply of solar electricity from CTNE;

(4) the construction plan of the power plants, the projected installed capacity of the power plants and annual electric power production pursuant to the three framework agreements as set out in (i), (ii) and (iii) above upon commencement of operation of the power plants in the three financial years ending 31 December 2015; and

(5) the relevant PRC rules and regulations governing the supply of solar electricity for determining the price payable for the solar electricity in the relevant regions.

The total transaction amount of the Continuing Connected Transactions involving supply of polysilicon from members of GCL-Poly Group to members of the Enlarged Group (Category B) for the financial years ended 31 December 2010, 31 December 2011 and the six months ended 30 June 2012 were RMB102,150,000, RMB358,121,000 and RMB47,050,000, respectively.

In determining the proposed Annual Caps for those Continuing Connected Transactions involving supply of polysilicon from members of GCL-Poly Group to members of the Enlarged Group (Category B), the Board has taken into account:

(1) the historical transaction amount of the Continuing Connected Transactions involving supply of polysilicon from members of GCL-Poly Group to members of the Enlarged Group (Category B);

(2) the framework agreement dated 14 November 2012 signed between the Target Company, GCL-Poly Investment and EBOD in relation to, among others, construction and acquisition of solar power plants;

(3) the supply agreement dated 3 December 2010 signed between GPQST and GCLPT in relation to the supply of polysilicon from GCLPT to members of the Group;

(4) the anticipated increase in solar cells production and expected level of demand of solar cells produced by the Group arising from the construction plan of the power plants, the projected installed capacity of the power plants and annual electric power production upon commencement of operation of the power plants in the three financial years ending 31 December 2015;

(5) the price of polysilicon purchased from Independent Third Parties;

(6) the production capacity of the Group; and

(7) the anticipated growth of solar energy industry in the PRC in the coming three financial years ended 31 December 2015.

The total transaction amount of the Continuing Connected Transactions involving supply of solar cells from members of the Enlarged Group to members of EBOD Group (Category C) for the financial years ended 31 December 2010, 31 December 2011 and the six months ended 30 June 2012 were RMB4,272,000, RMB92,079,000 and nil, respectively.

In determining the proposed Annual Caps for those Continuing Connected Transactions involving supply of solar cells from members of the Enlarged Group to members of EBOD Group (Category C), the Board has taken into account:

(1) the historical transaction amount of the Continuing Connected Transactions involving supply of solar cells from members of the Enlarged Group to members of EBOD Group (Category C);

(2) the supply agreement dated 20 November 2012 signed between GPQST and LRTQ in relation to the supply of solar cells from GPQST to LRTQ;

(3) the price of solar cells sold to Independent Third Parties; and

(4) the anticipated growth of solar energy industry in the PRC in the coming three financial years ending 31 December 2015.

The total transaction amount of the Continuing Connected Transactions involving provision of processing services to members of EBOD Group (Category D) from members of the Target Group for the financial years ended 31 December 2010, 31 December 2011 and the six months ended 30 June 2012 were nil, nil and RMB801,900, respectively.

In determining the proposed Annual Caps for those Continuing Connected Transactions involving provision of processing services to EBOD Group (Category D), the Board has taken into account:

(1) the historical transaction amount of the Continuing Connected Transactions involving provision of processing services to members of EBOD Group (Category D);

(2) the agreement for provision of processing service dated 16 November 2012 signed between CMTST, a member of the Target Group and LRTQ, a member of the EBOD Group in relation to the provision of processing service from CMTST to LRTQ;

(3) the anticipated growth of solar energy industry in the PRC in the coming three financial years ending 31 December 2015; and

(4) the planned generating capacity of solar power plants to be launched by the PRC authorities under the Golden Sun Program.

As the Continuing Connected Transactions falling within category (A) are new transactions in contemplation of the Acquisition, no historical figures are available for disclosure purpose.

Reasons for the Continuing Connected Transactions

CMNEG, GCL-Poly, and EBOD are active players with different positioning in the solar energy industry. After completion of the Acquisition, certain continuing connected transactions will be entered into between the Enlarged Group and CMNEG Group, GCL-Poly Group and EBOD Group, respectively to enable the Enlarged Group to maintain its business in solar cell manufacturing and develop the business in the investment, operation and management of solar power plants in the solar energy industry.

CMNEG is an indirect subsidiary of China Merchants Group Limited. China Merchants Group Limited and its subsidiaries engage in various major business sectors in the PRC, such as transportation and related infrastructure (ports, toll roads, energy transportation and logistics), financial investment and asset management, as well as property development and management. The relationship with China Merchants Group Limited provides CMNEG with access to the rooftops of suitable properties owned by members of the China Merchants Group Limited, which can be utilised for development as rooftop solar power plants.

GCL-Poly is the world's leading producer of polysilicon and wafers and will continue to supply polysilicon and wafers to the Enlarged Group to manufacture solar cells after completion of the Acquisition.

LRTQ has obtained certificates issued by the China Quality Certification Centre (中國質量認證中心) in respect of manufacturing of poly solar modules. Solar modules meeting the requirements of such certification can be supplied to solar power plant projects eligible for the Golden Sun Program. LRTQ outsources the processing services to CMTST to utilise the production capacity of CMTST with a view to capture the growing opportunities in solar power plant projects promoted by the Golden Sun Program.

Having considered the anticipated increasing demand of solar cells and processing services from EBOD Group whose transaction terms are no less favourable than terms available from other Independent Third Parties, the Directors believe that the supply of solar cells and provision of processing services to EBOD Group will enable the Enlarged Group to enhance the sales performance and profitability of the Group.

In respect of the terms of the framework agreements as mentioned in the paragraph headed "A. Provision of solar electricity and energy saving service by members of the Enlarged Group to members of CMNEG Group" above, as advised by the Target Company, save for such framework agreements, the Target Group has not entered into similar framework agreements in relation to the provision of solar electricity and related energy saving services. GCL-Poly Investment, which is engaged in development of power related projects, has provided sample agreements in relation to the provision of solar electricity and related energy saving services for reference and based on which, the independent financial adviser of the Company is of the view that the term of 25 years as contained in each of such framework agreements is in accordance with normal business practice.

All the Continuing Connected Transactions are carried out in the ordinary course of business of the Enlarged Group and will continue to be carried out in the three financial years ending 31 December 2015. Accordingly, the Board considers it appropriate to seek Independent Shareholders' approval for the Continuing Connected Transactions.

In the premises, the executive Directors and the non-executive Directors consider the terms of the agreements governing the Continuing Connected Transactions to be fair and reasonable and in the interest of the Shareholders so far as the Shareholders are concerned.

GENERAL

An Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate and the Continuing Connected Transactions (including the proposed Annual Caps). The Company, with the approval of the Independent Board Committee, has appointed Veda Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate and the Continuing Connected Transactions (including the proposed Annual Caps) in accordance with the Listing Rules.

The Authorised Share Capital Increase is subject to the approval of the Shareholders by way of poll at the SGM. No Shareholder is required to abstain from voting at the SGM in respect of this proposed resolution.

A circular containing, among other things, further details of (i) the terms and conditions of the Sale and Purchase Agreement and the Acquisition; (ii) the terms and conditions of the Convertible Bonds; (iii) the Authorised Share Capital Increase; (iv) the grant of the Specific Mandate; (v) the Continuing Connected Transactions (including the proposed Annual Caps); (vi) the letter from the Independent Board Committee to the Independent Shareholders; (vii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (viii) the financial information of the Group, the Target Group and the Enlarged Group; (ix) the Valuation Report; and (x) notice convening the SGM is expected to be despatched to the Shareholders on or before 15 March 2013 as more time is required to prepare the financial information and the Valuation Report for inclusion in the circular.

As Completion is subject to fulfilment of a number of conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are urged to exercise extreme caution when dealing in the Shares.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company was HK$500,000,000 divided into 5,000,000,000 Shares of HK$0.1 each, of which 881,908,389 Shares have been issued and 1,583,950,842 Shares shall be issued upon the conversion of the existing Share Options and the Jet Mile Convertible Notes issued by the Company. Upon the issue of the Consideration Shares and the Conversion Shares, assuming that the Conversion Rights are to be exercised in full at the initial Conversion Price, there will remain 414,230,769 unissued Shares under the existing authorised share capital of the Company, representing approximately 8.28% of the authorised share capital of the Company as at the date of this announcement.

The Board proposes to increase the authorised share capital of the Company from HK$500,000,000 divided into 5,000,000,000 Shares of HK$0.1 each to HK$1,000,000,000 divided into 10,000,000,000 Shares of HK$0.1 each by the creation of an additional 5,000,000,000 unissued Shares of HK$0.1 each to provide flexibility for the Company to increase its issued capital base in the future. The Board believes that the Authorised Share Capital Increase is in the interests of the Company and the Shareholders as a whole. The Authorised Share Capital Increase is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 23 November 2012 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 January 2013.

DEFINITIONS

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

"Acquisition"	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement;
"acting in concert"	has the meaning ascribed to this term under the Takeovers Code;
"Affiliates"	(a) the affiliates of any body corporate means any body corporates, non-body corporates or individuals which/who (i) directly or indirectly control such body corporate, or (ii) are directly or indirectly controlled by such body corporate, or (iii) are under direct or indirect common control with such body corporate; and (b) the affiliates of any individual means his/her relatives, or any body corporates, non-body corporates or individuals which/who (i) directly or indirectly control such individual or his/her relatives, or (ii) are controlled by such individual or his/her relatives, or (iii) are under direct or indirect common control with such individual or his/her relatives; for the purpose of this definition, "control" means the power of a person to secure that the policies and affairs of another are conducted and decisions made directly or indirectly in accordance with the wishes of that person by means of: (a) in the case of a company, being the beneficial owner of more than 50 per cent. of either the issued share capital of that company or of the voting rights in that company, or having the right to appoint or remove a majority of the directors or otherwise control the votes at board meetings of that company by virtue of any powers conferred by the articles of association, shareholders' agreement or any other document regulating the affairs of that company; (b) in the case of a partnership, being the beneficial owner of more than 50 per cent. of the capital of that partnership, or having the right to control the composition of or the votes to the majority of the management of that partnership by virtue of any powers conferred by the partnership agreement or any other document regulating the affairs of that partnership; and "controlled" shall be construed accordingly;

"Annual Caps"	the estimated annual monetary values of the categories of Continuing Connected Transactions as set out in the paragraph headed "Continuing Connected Transactions" in this announcement for the three financial years ending 31 December 2015;
"associate(s)"	has the meaning ascribed to it in the Listing Rules;
"Authorised Share Capital Increase"	the proposed increase in the existing authorised share capital of the Company from HK$500,000,000 divided into 5,000,000,000 Shares to HK$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 unissued Shares;
"Board"	the board of Directors;
"Bondholder(s)"	holder(s) of the Convertible Bonds, including all the subsequent transferee(s) of the Convertible Bonds;
"Business Day"	a day (other than a Saturday and a Sunday or days on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong at any time from 9 a.m. to 5 p.m.) on which banks are generally open for business in Hong Kong;
"BVI"	British Virgin Islands;
"China Green"	China Green Holdings Limited (中國綠色控股有限公司), a company incorporated in the BVI with limited liability and one of the Vendors;
"CMBL"	招商局保税物流有限公司 (China Merchants Bonded Logistics Co., Limited*), a company established in the PRC and an associate of CMNEG, whose principal activities are provision of warehousing services and logistics services in bonded zones in the PRC;
"CMBSS"	招商局漳州開發區博新太陽能科技有限公司 (China Merchants Zhangzhou Development Zone Broad Shine Solar Technology Limited*), a company established in the PRC and a direct wholly-owned subsidiary of CMTST;
"CMLH"	招商局物流集團有限公司 (China Merchants Logistics Holdings Co., Ltd.*), a company established in the PRC, an associate of CMNEG whose principal activity is provision of logistic services;
"CMNEG"	China Merchants New Energy Group Limited (招商新能源集團有限公司), a company incorporated in the BVI with limited liability and one of the Vendors;

* *For identification purpose only*

"CMNEG Group"	CMNEG and its subsidiaries and associates and for the purpose of this announcement, excluding the Target Group and the EBOD Group;
"CMSZ"	招商新能源(深圳)有限公司 (China Merchants New Energy (Shenzhen) Ltd.*), a company established in the PRC and a direct wholly-owned subsidiary of New Light;
"CMTST"	招商局漳州開發區創達太陽能科技有限公司 (China Merchants Zhangzhou Development Zone Trendar Solar Tech Limited*), a company established in the PRC and is owned as to 91.6% by the Target Company and 8.4% by 北京銀保弘迪股權投資管理中心(有限合夥) (Beijing Yin Bao Hong Di Shareholding Management Centre (Limited Partnership)*), an Independent Third Party;
"Company"	Goldpoly New Energy Holdings Limited (金保利新能源有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement;
"Completion Date"	the day on which Completion actually occurs in accordance with the terms of the Sale and Purchase Agreement;
"Concession Rights"	the development, operation and other rights in relation to certain ground-based and rooftop solar power plant projects with a total capacity of up to approximately 2.16 GW which are owned or may be acquired by the Target Group in or prior to the year 2015 as contemplated under certain agreements entered into by the Target Group on or before 31 December 2012;
"connected persons"	has the meaning ascribed to it under the Listing Rules;
"Consideration"	the total consideration for the purchase of the Sale Shares pursuant to the Sale and Purchase Agreement;
"Consideration Shares"	959,462,250 new Shares to be allotted and issued by the Company to each of the Vendors or their respective nominee(s) at the issue price of HK$1.00 per Consideration Share as partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement;

* *For identification purpose only*

"Continuing Connected Transactions"	the transactions between members of the Group and the connected persons as set out in the paragraph headed "Continuing Connected Transactions" in this announcement;
"Conversion Period"	means a period commencing from (i) with respect to the Series A Convertible Bonds, the day immediately after the end of the first anniversary of the issue date of the Convertible Bonds and ending on the Maturity Date; or (ii) with respect to the Series B Convertible Bonds, the day immediately following the expiry of the Lock-up Period and ending on the Maturity Date;
"Conversion Price"	HK$1.00, being the initial conversion price per Conversion Share upon the exercise of the Conversion Rights attaching to the Convertible Bonds, subject to adjustment under the terms and conditions of the Convertible Bonds;
"Conversion Right(s)"	the right(s) of the Bondholder(s) to convert the whole or part of the outstanding principal amount of the Convertible Bonds into Conversion Shares, subject to the terms and conditions of the Convertible Bonds;
"Conversion Shares"	the new Shares to be allotted and issued by the Company to the Bondholder(s) upon the exercise of the Conversion Right(s) attaching to the Convertible Bonds;
"Convertible Bonds"	Series A Convertible Bonds and Series B Convertible Bonds;
"CSOSA"	中國深圳外輪代理有限公司 (China (Shenzhen) Ocean Shipping Agency Co., Limited*), a company established in the PRC and an associate of CMNEG, whose principal activity is provision of shipping services;
"CTNE"	China Technology New Energy Limited (中國科技新能源有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Target Company;
"Directors"	the directors of the Company;
"Ease Soar"	Ease Soar Limited, a company incorporated in the BVI with limited liability and one of the Vendors;
"EBOD"	Renewable Energy Trade Board Corporation, a company incorporated in the BVI with limited liability, the common shares of which are listed on NASDAQ under the symbol "EBOD";
"EBOD Group"	EBOD and its subsidiaries and associates and for the purpose of this announcement, excluding the Target Company;

* *For identification purpose only*

"EIS"	an equity incentive scheme adopted by the Target Company for the benefit of the Participants;
"Enlarged Group"	the Group as enlarged by the Target Group upon Completion;
"Escrow Agent"	such party as may be agreed in writing by and among the Vendors, the Purchaser and the Company, acting as escrow agent to be jointly appointed by the Vendors, the Purchaser and the Company, the terms of appointment of whom shall have been approved by the Vendors, the Purchaser and the Company;
"Faster Assets"	Faster Assets Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Target Company;
"Fortune Wheel"	Fortune Wheel Holdings Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Sino Delight;
"GCL-Poly"	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange under the stock code "3800";
"GCL-Poly Group"	GCL-Poly and its subsidiaries;
"GCL-Poly Investment"	GCL-Poly Investment Limited (保利協鑫投資有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of GCL-Poly, whose principal activity is developing power related projects;
"GCLPT"	蘇州協鑫光伏科技有限公司 (Suzhou GCL Photovoltaic Technology Co., Ltd.*), a company established in the PRC, an indirect wholly-owned subsidiary of GCL-Poly, whose principal activities are manufacture and sale of wafer;
"Golden Sun Program"	a PRC national solar subsidy program which provides upfront subsides for qualified demonstrative solar projects;
"GPQST"	金保利(泉州)科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Company Limited*), a company established in the PRC, an indirect wholly-owned subsidiary of the Company;
"Group"	the Company and its subsidiaries;
"GW"	gigawatt(s);

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"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Hyatt Servicing"	Hyatt Servicing Limited, a company incorporated in the BVI with limited liability and one of the Vendors;
"Independent Board Committee"	an independent committee of the Board, comprising Mr. Kwan Kai Cheong, Mr. Ching Kwok Ho, Samuel, Mr. Ip Shu Kwan, Stephen and Mr. Yen Yuen Ho, Tony, being all the independent non-executive Directors, which has been established for the purpose of advising the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, the grant of Specific Mandate and the Continuing Connected Transactions (including the proposed Annual Caps);
"Independent Shareholders"	the Shareholders other than Mr. Hung, Jet Mile, Mr. Hong, China Green and their respective associates;
"Independent Third Parties"	third parties who are independent of the Company and its connected persons;
"Independent Valuer"	American Appraisal China Limited, an independent valuer engaged by the Company to provide assistance to the Group in determining the fair value of the Concession Rights;
"Issue Date"	the date on which the Convertible Bonds are issued, being the Completion Date;
"Issue Price"	the issue price of HK$1.00 per Consideration Share;
"Jet Mile"	Jet Mile Limited, a company incorporated in the BVI with limited liability and is owned as to 66.7% by Mr. Hung and 33.3% by Mr. Hong and a substantial shareholder of the Company;
"Jet Mile Convertible Notes"	the outstanding convertible notes in the principal amount of HK$850,000,000 issued by the Company on 25 October 2010 to Jet Mile as part of the consideration pursuant to the sale and purchase agreement dated 13 July 2010 (as supplemented by the supplemental agreement dated 19 July 2010) and as disclosed in the announcement and circular of the Company dated 19 July 2010 and 25 September 2010, respectively and convertible into 1,579,925,651 Shares at the conversion price of HK$0.538;

"Jiangsu Zhongding"	江蘇中鼎房地產開發有限責任公司 (Jiangsu Zhongding Real Estate Development Co., Ltd.*), a company established in the PRC;
"Last Trading Day"	22 November 2012, being the date of signing of the Sale and Purchase Agreement;
"Listing Committee"	has the meaning ascribed to it in the Listing Rules;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Lock-up Period"	the period during which the Series B Convertible Bonds in the total principal amount of HK$847,964,000 are held under escrow and not yet released pursuant to the escrow arrangement as disclosed in the paragraph headed "Consideration" in this announcement;
"Long Stop Date"	31 March 2013 or such later date as the Parties may from time to time agree in writing;
"LRTQ"	凌陽能源科技(泉州)有限公司 (Linsun Power Technology (Quanzhou) Corp. Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of EBOD, whose principal activity is manufacturing of solar photovoltaic modules;
"Magicgrand"	Magicgrand Group Limited, a company incorporated in the BVI with limited liability;
"Maturity Date"	the date falling on the fifth anniversary of the Issue Date;
"Mr. Hong"	Mr. Hong Zhonghai, a substantial shareholder of the Company;
"Mr. Hung"	Mr. Hung Chao Hong, a substantial shareholder of the Company;
"MW"	megawatt(s);
"New Light"	New Light Technology Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of CTNE;
"Pairing Venture"	Pairing Venture Limited, a company incorporated in the BVI with limited liability;
"Participants"	the directors, employees and consultants of the Target Company, who are eligible to participate in the EIS;

* *For identification purpose only*

"Parties"	the Vendors, the Purchaser and the Company, being the parties to the Sale and Purchase Agreement, and the word "Party" shall be construed accordingly;
"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;
"Profit"	the accumulated profit (before interests, tax, depreciation and amortization) as shown in the accounts of the Target Group during the Profit Guarantee Period as audited by the auditors (which is one of the Big Four audit firms, namely, Deloitte Touche Tohmatsu, Ernst & Young, KPMG and PricewaterhouseCoopers) appointed by the Company, adopting the accounting principles and practices generally accepted in Hong Kong provided that the accumulated costs and expenses incurred by the Target Group in relation to the EIS shall not be deducted from the computation of the accumulated profit;
"Profit Giant"	Profit Giant Holdings Limited (喜順控股有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Upper Light;
"Profit Guarantee"	the guarantee for the Profit of not less than HK$495,000,000 during the Profit Guarantee Period given by each of the Vendors in favour of the Purchaser and the Company;
"Profit Guarantee Period"	the three financial years from 1 January 2013 up to 31 December 2015, or in the event that the Profit is not less than HK$495,000,000 in the two financial years from 1 January 2013 up to 31 December 2014, the Board shall be entitled to (but shall not be obliged to) shorten the Profit Guarantee Period to the two financial years from 1 January 2013 up to 31 December 2014;
"Purchaser"	Profit Icon Investments Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company;
"RMB"	Renminbi, the lawful currency of the PRC ;
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 22 November 2012 entered into among the Vendors, the Purchaser and the Company in respect of the sale and purchase of the Sale Shares;

"Sale Shares"	530,000,000 ordinary shares with par value of US$0.01 each of the Target Company legally and beneficially owned by the Vendors, representing 92.17% of the issued share capital in the Target Company, which have been issued and are fully paid or credited as fully paid;
"Series A Convertible Bonds"	the convertible bonds in the total principal amount of HK$312,483,750 to be issued by the Company to the Vendors or their respective nominee(s) upon Completion as partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement;
"Series B Convertible Bonds"	the convertible bonds in the total principal amount of HK$847,964,000 to be issued by the Company to the Vendors or their respective nominee(s) upon Completion as partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement;
"SFC"	the Securities and Futures Commission of Hong Kong;
"SGM"	the special general meeting of the Company to be convened to consider and if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment of the Consideration Shares, the Convertible Bonds, the Conversion Shares; (ii) the Specific Mandate; (iii) the Continuing Connected Transactions (including the proposed Annual Caps);
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Share Options"	share options of the Company granted under its three share option schemes (of which two were adopted on 10 September 2002 and the other was adopted on 19 June 2012);
"Shareholder(s)"	holder(s) of the Shares;
"Sino Arena"	Sino Arena Investments Limited, a company incorporated in the BVI with limited liability and one of the Vendors;
"Sino Delight"	Sino Delight Developments Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of Faster Assets;
"Snow Hill"	Snow Hill Developments Limited, a company incorporated in the BVI with limited liability;

"Specific Mandate"	a specific mandate to be granted to the Directors by the Shareholders at the SGM to allot and issue the Consideration Shares and the Conversion Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary"	has the meaning assigned to it by section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other ordinances of the Laws of Hong Kong and to any unincorporated body of persons;
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules;
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Repurchases;
"Talesun"	Talesun Solar Hong Kong Limited (騰暉電力香港有限公司), a company incorporated in Hong Kong with limited liability and one of the Vendors;
"Target Company"	China Merchants New Energy Holdings Limited (招商新能源控股有限公司), a company incorporated in the BVI with limited liability and as at the date of the Sale and Purchase Agreement, had a total issued capital of US$5,750,000 divided into 575,000,000 ordinary shares of US$0.01 each, and is owned as to approximately 47.83% by CMNEG, approximately 17.39% by Ease Soar, approximately 8.69% by China Green, approximately 8.69% by Talesun, approximately 7.83% by the Purchaser, approximately 5.22% by Hyatt Servicing and approximately 4.35% by Sino Arena;
"Target Group"	the Target Company and its subsidiaries;
"Tianjin Trendar"	天津創達新能源有限公司 (Tianjin Trendar New Energy Co., Ltd*), a company established in the PRC and a direct wholly-owned subsidiary of CMSZ;
"Upper Light"	Upper Light Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of Faster Assets;
"US$" or "U.S. Dollars"	United States dollar(s), the lawful currency of the United States of America;

"Valuation Report"	the valuation report to be issued by the Independent Valuer for determining the fair value of the Concession Rights as at 31 December 2012;
"Vendors"	CMNEG, Ease Soar, China Green, Talesun, Hyatt Servicing and Sino Arena;
"XCNE"	廈門創日新能源科技有限公司 (Xiamen Chuangri New Energy Technology Ltd.*), a company established in the PRC and a direct wholly-owned subsidiary of CMTST;
"Zhongli"	中利科技集團股份有限公司 (Zhongli Science and Technology Group Co., Ltd*), a company established in the PRC and the A shares of which are listed on the Shenzhen Stock Exchange;
"Zhongli Changzhou"	中利騰暉光伏常州有限公司 (Zhongli Photovoltaic Changzhou Co., Ltd.*), a company established in the PRC and a direct wholly-owned subsidiary of CMSZ;
"Zhongli Gonghe"	中利騰暉共和光伏發電有限公司 (Zhongli Gonghe Photovoltaic Power Co., Ltd.*), a company established in the PRC and a direct wholly-owned subsidiary of Zhongli Changzhou;
"Zhongli Jiayuguan"	中利騰暉(嘉峪關)光伏發電有限公司 (Zhongli (Jiayuguan) Photovoltaic Power Co., Ltd.*), a company established in the PRC and a direct wholly-owned subsidiary of Zhongli Changzhou;
"Zhongli Talesun"	中利騰暉光伏科技有限公司 (Zhongli Photovoltaic Science and Technology Group Co., Ltd*), a company established in the PRC; and
"%"	per cent.

By order of the Board
Goldpoly New Energy Holdings Limited
Lam Ho Fai
Executive Director

Hong Kong, 18 January 2013

As at the date of this announcement, the executive Directors are Mr. Lam Ho Fai, Ms. Lin Xia Yang and Mr. Yiu Ka So, the non-executive Directors are Academician Yao Jiannian and Mr. Chiang Chao-Juei, and the independent non-executive Directors are Mr. Kwan Kai Cheong, Mr. Ching Kwok Ho, Samuel, Mr. Ip Shu Kwan, Stephen and Mr. Yen Yuen Ho, Tony.

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