



SUNPOWER GROUP LTD.

PROPOSED PLACEMENT OF AN AGGREGATE OF UP TO 400,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF SUNPOWER GROUP LTD ("PROPOSED PLACEMENT")

1. INTRODUCTION

*Unless otherwise defined, capitalised terms used in this announcement shall bear the same meaning as described to them in the announcement of Sunpower Group Ltd. ("**Company**") on 9 July 2015 ("**Announcement**") relating to, inter alia, the proposed placement ("**Proposed Placement**") of up to 400,000,000 new ordinary shares of par value US\$0.01 each in the capital of the Company ("**Placement Shares**").*

Further to the Announcement, the Board of Directors ("**Board**") wishes to announce that the Company has on 16 September 2015 entered into a placement agreement ("**Placement Agreement**") with Stirling Coleman Capital Limited ("**Placement Agent**") in relation to the Proposed Placement of up to 400,000,000 Placement Shares, pursuant to which the Placement Agent has agreed to, on a best endeavour basis, procure subscribers for the Placement Shares, at an issue price of S\$0.14 per Placement Share ("**Placement Price**"), raising gross proceeds of up to S\$56.0 million.

Sunpower Business Group Pte.Ltd. ("**SBGPL**") and Tournan Trading Pte. Ltd. ("**TTPL**") have indicated their interest to the Placement Agent to subscribe for up to 100,000,000 Placement Shares (being up to 25% of the total Placement Shares) each. SBGPL and TTPL are companies wholly-owned by Allgreat Pacific Limited ("**APL**") and Claremont Consultancy Limited ("**CCL**"), respectively, which are in turn wholly-owned by Mr Guo Hong Xin and Mr Ma Ming, respectively. Mr Guo Hong Xin and Mr Ma Ming are each executive directors of the Company, and SBGPL and TTPL are considered their respective associates. Accordingly, the proposed allotment and issue of Placement Shares to SBGPL ("**Proposed Guo IPT**") and TTPL ("**Proposed Ma IPT**") are interested person transactions for the purpose of Chapter 9 of the listing manual of the SGX-ST ("**Listing Manual**").

Pursuant to the proposed allotment and issue of up to 100,000,000 Placement Shares to TTPL, Mr Ma Ming's interest in the Company will increase from approximately 14.47% of the existing issued and paid-up shares in the capital of the Company ("**Shares**") to approximately 19.77% of the enlarged number of Shares upon completion of the Proposed Placement. Hence, assuming that the Proposed Placement is approved, the allotment and issue of up to 100,000,000 Placement Shares to TTPL will result in a transfer of a controlling interest in the Company to Mr Ma Ming ("**Proposed Transfer of Controlling Interest**", together with the Proposed Placement, the Proposed Guo IPT and Proposed Ma IPT, "**Proposed Transactions**") under Rule 803 of the Listing Manual.

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

2.1 Issue Price

The Issue Price represents the following discounts to the volume weighted average price ("VWAP") of the Shares based on trades done on the SGX-ST over the following periods:

VWAP of the Shares with reference to the date of Announcement of 9 July 2015:

Description	Benchmark Price ⁽¹⁾ (S\$)	(Discount to) / Premium over Benchmark Price (%)
VWAP of the Shares on the SGX-ST on 9 July 2015, being the date of the Announcement	0.1300	7.69
VWAP for one (1) month period preceding the date of the Announcement	0.1428	(1.96)
VWAP for six (6) months period preceding the date of the Announcement	0.1422	(1.55)
VWAP for one (1) year period preceding the date of the Announcement	0.1412	(0.85)
VWAP for two (2) years period preceding the date of the Announcement	0.1447	(3.25)

VWAP of the Shares with reference to the date of the Placement Agreement of 15 September 2015:

Description	Benchmark Price ⁽¹⁾ (S\$)	(Discount to) / Premium over Benchmark Price (%)
VWAP of the Shares on the SGX-ST on 15 September 2015, being the last full Market Day prior to the date of the Placement Agreement	0.1933	(27.57)
VWAP for one (1) month period preceding the date of the Placement Agreement	0.1935	(27.65)
VWAP for six (6) months period preceding the date of the Placement Agreement	0.2031	(31.07)
VWAP for one (1) year period preceding the date of the Placement Agreement	0.1986	(29.51)
VWAP for two (2) years period preceding the date of the Placement Agreement	0.1791	(21.83)

Note:

- (1) The benchmark prices are based on data extracted from Bloomberg L.P. and the respective (discount)/ premium are computed based on the benchmark prices rounded to the nearest three decimal places.

2.2 Placement Shares

Assuming that the Placement Shares are fully subscribed, the Placement Shares will represent approximately 101.3% of the 394,800,000 existing Shares as at the date of this announcement, and will represent approximately 50.3% of the Company's enlarged number of Shares after completion of the Proposed Placement.

The Placement Shares are to be issued free from all charges, liens and other encumbrances and shall, upon allotment and issue, rank *pari passu* in all respects with, and carry all rights similar to, the existing Shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Proposed Placement.

The Proposed Placement is to be undertaken by way of a private placement pursuant to Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the allotment and issue of the Placement Shares.

2.3 Information on the Placees

The Placees, other than SBGPL and TTPL, will be subscribers which will be introduced by the Placement Agent. Pursuant to the Placement Agreement, the Placement Agent has undertaken that, *inter alia*, save for the SBGPL and TTPL, it will not offer the Placement Shares to any person who is prohibited from acquiring the Placement Shares pursuant to Rule 812(1) of the Listing Manual.

2.4 Moratorium

Each of Mr Guo Hong Xin, Mr Ma Ming, APL, CCL, SBGPL and TTPL has agreed to moratorise their respective interests in the Company (including existing Shares and Placement Shares held by them) for a period of six (6) calendar months from completion of the Proposed Placement.

2.5 Commission

A placement commission of 2.5% of the gross placement proceeds (being the Placement Price multiplied by the total number of Placement Shares successfully subscribed) is payable by the Company to the Placement Agent pursuant to the Placement Agreement. No part of the placement commission will be shared with any subscriber to be procured by the Placement Agent.

2.6 Conditions Precedent

The Proposed Placement is conditional upon, *inter alia*, the following:

- (a) the Company entering into definitive legal agreements in respect of the procurement of the Proposed New Projects;
- (b) results of the due diligence exercise on the Proposed New Projects being satisfactory to the Placement Agent;
- (c) approval being obtained from the SGX-ST for the listing and quotation of the ordinary shares of the Company which are the subject of the Proposed Placement; and
- (d) approval being obtained from the shareholders of the Company in respect of the Proposed Transactions.

If any of the conditions are not satisfied on or before 31 December 2015 (or such other later date as may be agreed between the Company and the Placement Agent in writing), the Proposed Placement will not proceed.

2.7 Additional Listing Application

The Company will be submitting an application to the SGX-ST for the listing of and the quotation for the Placement Shares on the Main Board of the SGX-ST. The Company will make the necessary announcement(s) once the approval in-principle for the listing of and quotation for the Placement Shares on the Main Board of the SGX-ST has been obtained from the SGX-ST.

3. RATIONALE AND USE OF PROCEEDS

The Proposed Placement is undertaken to strengthen the Group's financial position in order to equip the Group with the necessary funding to undertake the Proposed New Projects in the event that the management is of the view that the Proposed New Projects are commercially and economically viable and in the interest of the Company and the Shareholders. In line with the announcement made by the Company on 9 July 2015, the Company is evaluating various environmental projects in the PRC, which may include environmental and new energy related engineering, procurement and construction, such as the Proposed New Projects. With the proceeds from the Proposed Placement, the Group will be better positioned financially to embark on the Proposed New Projects (if deemed viable and in the interest of the Company and the Shareholders).

Assuming that the Placement Shares are fully subscribed, the net proceeds from the Proposed Placement will be approximately S\$54,500,000 ("**Net Proceeds**") (after deducting expenses and Placement Commission, assuming that all 400,000,000 Placement Shares are fully subscribed). The Company intends to use the Net Proceeds to finance the Group's investment into the Proposed New Projects.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds of the Proposed Placement, the Group would have sufficient funds to meet its present requirements. Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis as the Directors may deem fit.

The Company will make announcement(s) on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's annual report (and subsequent annual reports, if applicable) until such time the proceeds from the Proposed Placement have been fully utilised.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

As at the date of this announcement, the issued and paid-up share capital of the Company is US\$3,948,000 comprising 394,800,000 Shares. Assuming that the Placement Shares are fully subscribed, on completion of the Proposed Placement, the issued and paid-up share capital of the Company will increase to US\$7,948,000 comprising 794,800,000 Shares.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**"):

- (a) assuming the Proposed Placement was completed on 31 December 2014, the net asset value per share of the Group after adjusting for the Placement Shares and the

Net Proceeds of the Proposed Placement will decrease from S\$0.3644 to S\$0.2496; and

- (b) assuming the Proposed Placement was completed on 1 January 2014 with all the Placement Shares being in issue during the period, the basic earnings per share of the Group after adjusting for the Placement Shares will decrease from S\$0.0303 to S\$0.0151.

The financial effects of the Proposed Placement set out above are for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Group after the completion of the Proposed Placement.

5. PROPOSED INTERESTED PERSON TRANSACTIONS

On 31 July 2015, the Company had announced that its wholly-owned subsidiary, Jiangsu Sunpower Pipe-line Engineering Technology Co., Ltd., had entered into an agreement to acquire the entire issued and paid-up share capital of Jiangsu Fuyou Industry Co., Ltd. ("**JFI**", a company incorporated in the PRC) from Jiangsu Sunpower Fuyou Holding Co., Ltd. ("**JSFH**") ("**JFI Acquisition**"). The total consideration for the JFI Acquisition of RMB11,245,730 was arrived at pursuant to arm's length negotiations on a willing-buyer-willing-seller basis, and was calculated based on the net assets of JFI as at 30 June 2015 and the interest amounts derived from the debts owed by JFI to JSFH. Each of Mr Guo Hong Xin and Mr Ma Ming, our Company's executive directors, hold 45% of the entire issued and paid-up share capital of JSFH. As such, the JFI Acquisition is an interested person transaction for the purposes of Chapter 9 of the Listing Manual. The total value of the JFI Acquisition represents approximately 1.6% of the Group's latest audited consolidated net tangible value ("**NTA**") for FY2014.

The aggregate consideration payable by each of SBGPL and TTPL, assuming that each of SBGPL and TTPL successfully subscribes for 100,000,000 Placement Shares, pursuant to the Proposed Placement is up to S\$14,000,000 each, which each represents approximately up to 9.86% of the NTA of the Group for FY2014.

Mr Guo Hong Xin, as a sole shareholder of APL, which in turn holds the entire issued share capital of SBGPL, is an associate of SBGPL and Mr Ma Ming, as sole shareholder of CCL, which in turn holds the entire issued share capital of TTPL, is an associate of TTPL. Therefore, aggregating the value of the JFI Acquisition and the consideration payable by each of SBGPL and TTPL pursuant to the Proposed Placement, the aggregate value of the interested person transactions to be entered into by Mr Guo Hong Xin and Mr Ma Ming with the Group will amount to S\$16,485,079 and S\$16,485,079 respectively, which represent approximately 11.6% and 11.6% of the NTA of the Group for FY2014 respectively.

Therefore, independent Shareholders' approval is required for the Proposed Placement to each of SBGPL and TTPL pursuant to Rule 906(1)(a) of the Listing Manual.

6. SPECIAL GENERAL MEETING

The Company will be seeking specific approval from the Shareholders of the Company at a special general meeting of the Company ("**SGM**") to be convened to approve the Proposed Transactions. A circular setting out information relating to the Proposed Transactions, together with the notice of SGM, will be despatched to Shareholders in due course.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Transactions will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. DOCUMENTS FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

MR MA MING

Executive Director
16 September 2015