



SUNPOWER GROUP LTD.

(Company Registration No. 35230)
(Incorporated in Bermuda with limited liability)

ISSUE OF US\$20,000,000 TRANCHE 2 CONVERTIBLE BONDS AND 16,464,490 WARRANTS TO BLUE STARRY ENERGY LIMITED (ULTIMATELY, INDIRECTLY AND BENEFICIALLY OWNED BY DCP CAPITAL PARTNERS L.P.) AND GLORY SKY VISION LTD. (ULTIMATELY, INDIRECTLY AND BENEFICIALLY OWNED BY CDH CHINA MANAGEMENT COMPANY LIMITED) TO FUND THE GREEN INVESTMENT RELATED BUSINESS OF THE COMPANY

The Board of Directors (the “**Board**”) of Sunpower Group Ltd. (the “**Company**”) refers to the shareholders’ circular dated 21 August 2018 (the “**Circular**”) regarding the Proposed Transactions and the announcement dated 6 September 2018 regarding the shareholders’ approval of the Proposed Transactions. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Circular.

Sunpower Group Ltd. wishes to announce that it proposes to issue on 15 October 2018 US\$20,000,000 Tranche 2 Convertible Bonds due 2022 and 16,464,490 Warrants to Blue Starry Energy Limited (ultimately, indirectly and beneficially owned by DCP Capital Partners L.P.) and Glory Sky Vision Ltd. (ultimately, indirectly and beneficially owned by CDH China Management Company Limited) (collectively, the “**Investors**”). Pursuant to the Terms and Conditions (CB2) and the Terms and Conditions (Warrants), the Company will issue US\$17,142,857 Tranche 2 Convertible Bonds and 14,112,420 Warrants to Blue Starry Energy Limited (ultimately, indirectly and beneficially owned by DCP Capital Partners L.P.), and US\$2,857,143 Tranche 2 Convertible Bonds and 2,352,070 Warrants to Glory Sky Vision Ltd (ultimately, indirectly and beneficially owned by CDH China Management Company Limited).

The applicable interest for the Tranche 2 Convertible Bonds is a cash coupon of 2.5% per annum and the difference between the amount of dividends paid by the Company in a financial year which would have been received by the Investors (on an as converted basis) and the amount of cash coupon for such financial year. The Tranche 2 Convertible Bonds will be issued on registered form in the denomination of US\$100,000 or integral multiples thereof, without coupons attached.

Subject to adjustments as provided for in the Terms and Conditions (Warrants), each Warrant will carry the right to subscribe for one Warrant Share at the exercise prices of (a) S\$0.70 per Warrant Share if the Warrant is exercised at any time on or before 31 December 2019, or (b) S\$0.80 per Warrant Share, if the Warrant is exercised any time between 1 January 2020 and 31 December 2020 (both dates inclusive). The Warrants issued to the Investors on 15 October 2018 shall expire on 31 December 2020.

The net proceeds arising from the issue of the Tranche 2 Convertible Bonds and the Warrants, after the deduction of issue expenses, will be applied towards the continued expansion and acquisition of Green Investment plants as well as payment of construction costs. The Green Investment business has been earmarked as the Company’s value creator and growth driver, which generate long-term, recurring and high quality income and cashflows as well as return on equity satisfactory to the Company.

For the avoidance of doubt, the Tranche 2 Convertible Bonds and the Warrants will not be listed on any stock exchanges.

This announcement and the information contained herein do not constitute an offer or invitation to purchase any securities of the Company.

BY ORDER OF THE BOARD

Ma Ming
Executive Director
15 October 2018