

**CIRCULAR DATED 12 DECEMBER 2018**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your shares in the share capital of Sunpower Group Ltd. (the “**Company**”), you should immediately forward this Circular, the notice of Special General Meeting and the enclosed Depositor Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



## **CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE**

### **IMPORTANT DATES AND TIMES:**

Last date and time for lodgment of Depositor Proxy Form	: 26 December 2018 at 10.00 a.m.
Date and time of Special General Meeting	: 28 December 2018 at 10.00 a.m.
Place of Special General Meeting	: Pisces and Aquarius, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594

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## CORPORATE INFORMATION

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<b>Directors</b>	:	Mr Guo Hong Xin Mr Ma Ming Mr Jiang Ning Mr Lau Ping Sum Pearce Mr Chin Sek Peng Mr Yang Zheng Mr Li Lei Mr Liu Haifeng David	<i>Executive Director, Chairman</i> <i>Executive Director</i> <i>Lead Independent Director</i> <i>Independent Director</i> <i>Independent Director</i> <i>Independent Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i>
<b>Registered Office</b>	:	Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda	
<b>Principal Place of Business</b>	:	No. 2111 Chengxin Road Nanjing Jiangning Science Park Nanjing, 211112 People's Republic of China <a href="http://www.sunpower.com.cn">www.sunpower.com.cn</a>	
<b>Company Secretary</b>	:	Ms Marian Ho Wui Mee	
<b>Deputy Secretary</b>	:	Ms Chew Bee Leng	
<b>Singapore Share Transfer Agent</b>	:	RHT Corporate Advisory Pte. Ltd. 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619	
<b>Bermuda Share Registrar</b>	:	Esteria Management (Bermuda) Limited Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda	
<b>Legal Adviser to the Company (as to Singapore law)</b>	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624	
<b>Legal Adviser to the Company (as to Bermuda law)</b>	:	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road #20-01 MYP Centre Singapore 049910	
<b>Auditors to the Company</b>	:	Deloitte & Touche LLP Public Accountants and Chartered Accountants 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809 Audit Partner: Tsia Chee Wah Since financial year ended 31 December 2017	
<b>Assistant Secretary / Resident Representative</b>	:	Esteria Services (Bermuda) Limited Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda	

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this Circular:-

- “Act” or “Companies Act”** : Companies Act (Chapter 50 of Singapore Statutes), as amended or modified from time to time.
- “Approval Date”** : Has the meaning ascribed to it in paragraph 2.3(a).
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) In relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Average Closing Price”** : Has the meaning ascribed to it in paragraph 2.3(d)(iii).
- “Bermuda Companies Act”** : Companies Act 1981 of Bermuda, as amended or modified from time to time.
- “Board”** : The Board of Directors of the Company as at the date of this Circular.
- “Bye-Laws”** : The bye-laws of the Company, as amended, supplemented or modified from time to time.
- “CDP”** : The Central Depository (Pte) Limited.
- “Circular”** : This circular to Shareholders dated 12 December 2018.
- “Company”** : Sunpower Group Ltd.
- “control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the total number of all issued Shares (excluding treasury shares and subsidiary holdings) in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder of the Company); or (b) in fact exercises control over the Company, as defined under the Listing Manual.
- “Depositor Proxy Form”** : The proxy form in respect of the SGM as enclosed with this Circular.

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## DEFINITIONS

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<b>“Directors”</b>	:	The directors of the Company as at the date of this Circular.
<b>“Group”</b>	:	The Company and its subsidiaries.
<b>“immediate family”</b>	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent.
<b>“Latest Practicable Date”</b>	:	5 December 2018, being the latest practicable date prior to the printing of this Circular.
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
<b>“Listing Rules”</b>	:	The listing rules of the SGX-ST as set out in the Listing Manual.
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities.
<b>“Maximum Price”</b>	:	Has the meaning ascribed to it in paragraph 2.3(d)(ii).
<b>“month”</b>	:	A calendar month.
<b>“Notice of SGM”</b>	:	The notice of SGM as set out in page 19 of this Circular.
<b>“NTA”</b>	:	Net tangible assets.
<b>“Off-Market Share Purchase”</b>	:	A Share Buy-back by the Company effected pursuant to an equal access scheme, which is in accordance with Section 76C of the Companies Act, for a Share Buy-back.
<b>“On-Market Share Purchase”</b>	:	A Share Buy-back by the Company effected on the SGX-ST through the SGX-ST trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for a Share Buy-back.
<b>“Purchased Shares”</b>	:	Shares purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.
<b>“Relevant Period”</b>	:	The period commencing from the date on which the last annual general meeting was held and expiring on the date on which the next annual general meeting is held or is required by law to be held, or the date on which the purchases of Shares under a Share Buy-Back Mandate are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting.
<b>“RMB”</b>	:	Renminbi, the lawful currency of the People’s Republic of China.
<b>“Rule 14”</b>	:	Has the meaning ascribed to it in paragraph 2.11(b).
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289 of Singapore Statutes), as amended or modified from time to time.
<b>“SGM”</b>	:	Special General Meeting.
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited.

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## DEFINITIONS

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“Share Buy-Back Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular, the provisions of the Companies Act (including the rules and regulations promulgated thereunder), and the Listing Rules.
“Share Buy-back”	:	The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.
“Shareholders”	:	Registered holders for the time being of the Shares (other than CDP), or in the case of Depositors, Depositors who have Shares entered against their name in the Depository Register.
“Shares”	:	Ordinary shares in the share capital of the Company.
“SIC”	:	Securities Industry Council.
“subsidiary”	:	A corporation which is deemed to be a subsidiary of another corporation within the meaning of Section 5 of the Companies Act.
“subsidiary holdings”	:	Shares held by subsidiaries of the Company in accordance with the Companies Act.
“Substantial Shareholder”	:	A person (including a corporation) who has an interest in not less than five per cent. (5.0%) of the issued voting shares of the Company.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time.
“S\$” and “cents”	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore.
“%” or “per cent.”	:	Percentage or per centum.

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

### **RMB to S\$ Exchange Rate**

Unless otherwise stated, the exchange rate between RMB and S\$ as at the Latest Practicable Date was RMB 5.0153 to S\$1.00. This exchange rate should not be construed as a representation that the RMB amounts could have been, or could be, converted into S\$ at the rate stated, or at all, and *vice versa*.

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## LETTER TO SHAREHOLDERS

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### SUNPOWER GROUP LTD.

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

**Directors:**

Mr Guo Hong Xin (*Executive Director, Chairman*)  
Mr Ma Ming (*Executive Director*)  
Mr Jiang Ning (*Lead Independent Director*)  
Mr Lau Ping Sum Pearce (*Independent Director*)  
Mr Chin Sek Peng (*Independent Director*)  
Mr Yang Zheng (*Independent Director*)  
Mr Li Lei (*Non-executive Director*)  
Mr Liu Haifeng David (*Non-executive Director*)

**Registered Office:**

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

12 December 2018

To: The Shareholders of Sunpower Group Ltd.

Dear Sir/Madam,

**THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE****1. INTRODUCTION**

- 1.1 The Directors propose to convene an SGM to be held on 28 December 2018 to seek the approval of Shareholders in relation to the proposed adoption of the Share Buy-Back Mandate.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to, and explaining the rationale for, the proposed adoption of the Share Buy-Back Mandate, for the purposes of obtaining Shareholders' approval at the SGM. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.
- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

**2. THE PROPOSED ADOPTION OF SHARE BUY-BACK MANDATE****2.1 Introduction**

As a Bermuda-incorporated company which is listed on the Mainboard of the SGX-ST, any purchases or acquisitions of Shares by the Company will have to be made in accordance with and subject to the provisions of the Listing Manual, the Take-over Code, the Bermuda Companies Act, the Bye-Laws and such other laws and regulations as may from time to time be applicable.

Under the Bermuda Companies Act, a company incorporated in Bermuda may, if authorised to do so by its memorandum of association or bye-laws, purchase its own shares provided that no such purchase may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. Bye-Law 6(B) of the Bye-Laws provides that the Company may purchase its own Shares.

Under Rule 881 of the Listing Manual, a company which wishes to purchase or acquire its own shares should obtain the prior specific approval of its shareholders in a general meeting. Accordingly, approval is being sought from Shareholders at the SGM for a general and unconditional mandate to be given for the purchase or acquisition by the Company of its issued Shares.

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## LETTER TO SHAREHOLDERS

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If approved by Shareholders at the SGM, the authority conferred by the Share Buy-Back Mandate will continue to be in force up to the earliest of: (i) the date on which the next annual general meeting of the Company is held or required by law to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated pursuant to the Share Buy-Back Mandate; or (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting, and may thereafter be renewed by the Company in general meeting.

### 2.2 Rationale for the Proposed Adoption of the Share Buy-Back Mandate

The rationale for the adoption of the Share Buy-Back Mandate to allow the Company to undertake a purchase or acquisition of its Shares is as follows:

- (a) In line with international practice, the Share Buy-Back Mandate will provide the Company with greater flexibility in managing its capital, share capital structure and maximising returns to its Shareholders.
- (b) In managing the business, the Company will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. In addition to growth and expansion of the business, a Share Buy-back at the appropriate price level is one of the ways through which the return on equity of the Company may be enhanced.
- (c) A Share Buy-back may help to stabilise the demand for the Shares, mitigate short-term share price volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.
- (d) The adoption of the Share Buy-Back Mandate will provide the Directors the flexibility to undertake Share Buy-backs at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

The Share Buy-back will only be undertaken if it can benefit the Company and Shareholders. While the Share Buy-Back Mandate would authorise a Share Buy-back up to a ten per cent. (10.0%) limit during the period described in paragraph 2.3(b) below, it should be noted that the Share Buy-back may not be carried out to the full ten per cent. (10.0%) limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity and capital adequacy positions of the Group as a whole.

### 2.3 Authority and Limitations

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buy-Back Mandate, if approved at the forthcoming SGM, are set out below:

#### **(a) Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

Pursuant to Rule 882 of the Listing Manual, the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent. (10.0%) of the issued share capital of the Company, ascertained as at the date of the SGM at which the resolution authorising the adoption of the Share Buy-Back Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction. For the purposes of calculating the percentage of issued Shares above, treasury shares and subsidiary holdings will be disregarded.



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## LETTER TO SHAREHOLDERS

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**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 739,142,142 Shares (excluding shares held as treasury shares and subsidiary holdings), and assuming that no further Shares are issued on or prior to the SGM, not more than 73,914,214 Shares (representing ten per cent. (10.0%) of the Shares as at that date excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

**(b) Duration of Authority**

The purchase or acquisition of Shares may be made, at any time and from time to time, on and from the Approval Date up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the Share Buy-backs are carried out to the full extent mandated pursuant to the Share Buy-Back Mandate; or
- (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting.

**(c) Manner of Share Buy-backs**

- (i) Pursuant to Rule 882 of the Listing Manual, Share Buy-backs may be made by way of:
  - (1) On-Market Share Purchase; and/or
  - (2) Off-Market Share Purchase.
- (ii) The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Companies Act, the Bermuda Companies Act, the Bye-Laws, and the Listing Rules, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. An Off-Market Share Purchase must, however, satisfy all the following conditions:
  - (1) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares, to purchase or acquire the same percentage of their Shares;
  - (2) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
  - (3) the terms of all the offers shall be the same, except that there shall be disregarded:
    - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
    - (B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
    - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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## LETTER TO SHAREHOLDERS

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- (iii) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:
- (1) the terms and conditions of the offer;
  - (2) the period and procedures for acceptance;
  - (3) the reasons for the proposed Share Buy-back;
  - (4) the consequences, if any, of Share Buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
  - (5) whether the Share Buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
  - (6) details of any Share Buy-backs made by the Company in the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Buy-backs, where relevant, and the total consideration paid for the Share Buy-backs; and
  - (7) whether the Shares purchased by the Company pursuant to a Share Buy-back will be cancelled or kept as treasury shares.

**(d) Purchase Price**

- (i) The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.
- (ii) However, the purchase price to be paid for the Shares pursuant to Share Buy-backs must not exceed:
- (1) in the case of an On-Market Share Purchase, 105.0% of the Average Closing Price (as defined below) of the Shares; and
  - (2) in the case of an Off-Market Share Purchase, 120.0% of the Average Closing Price of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the On-Market Share Purchase or Off-Market Share Purchase (as the case may be).

- (iii) For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

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## LETTER TO SHAREHOLDERS

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Any Share Buy-back by the Company will be made in accordance with, and in the manner prescribed by the Bermuda Companies Act and such other laws or regulations that may be applicable from time to time. As the Company is listed on the SGX-ST, it must also comply with Part XIII of Chapter 8 of the Listing Manual, which relates to purchases by a company listed on the SGX-ST of its own shares.

### 2.4 Status of Purchased Shares

Under the Bermuda Companies Act, a company may, if authorised by its memorandum of association or bye-laws, purchase its own shares. The shares so purchased may either be cancelled (in which event, the company's issued, but not its authorised, share capital will be diminished accordingly) or be held as treasury shares. Under the Bermuda Companies Act, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the company in respect of such shares. However, the allotment of shares as fully paid bonus shares in respect of shares held by the company as treasury shares is allowed.

No acquisition by a company of its own shares whether to be held as treasury shares or for cancellation may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

Where the Company acquires its Shares to be held as treasury shares, the Company may:

- (a) hold all or any of the shares;
- (b) sell, dispose of, or transfer all or any of the shares for cash or other consideration, subject to compliance with the Listing Rules; or
- (c) cancel all or any of the shares.

Depending on the needs of the Company, the Directors will decide whether the Shares purchased pursuant to the Share Buy-Back Mandate will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares. Pursuant to Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

### 2.5 Source of Funds

- (a) Pursuant to the Bermuda Companies Act, a purchase or acquisition by the Company of its Shares may only be funded out of capital paid up on the Shares to be purchased or acquired, or out of funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or the acquisition, and the premium payable, if any, on the purchase or the acquisition (i.e. the amount paid in excess of the nominal or par value of the Shares to be purchased or acquired) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium

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## LETTER TO SHAREHOLDERS

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account, before the Shares are purchased or acquired. No purchase or acquisition by the Company of its own Shares may be effected if, on the date on which the purchase or acquisition is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

- (b) The Company will use internal resources to finance buy-backs of its Shares. It is not possible for the Company to realistically calculate or quantify the impact of Share Buy-backs that may be made pursuant to the Share Buy-Back Mandate on the net asset value and earnings per share as the resultant effect would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant times, and the amount (if any) borrowed by the Company to fund the Share Buy-back. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate in circumstances which they believe will not adversely affect the financial condition of the Company or the Group.

### 2.6 Financial Effects

- (a) The financial effects on the Company and the Group arising from Share Buy-backs which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, the number of Purchased Shares and the price paid for such Purchased Shares and the manner in which the Share Buy-back or acquisition is funded.
- (b) The Company's total issued share capital will be diminished by the total nominal amount (for par value) of the Purchased Shares if cancelled upon the Share Buy-back(s). The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Purchased Shares. The purchase price paid by the Company for the Purchased Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.
- (c) The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December, are based on the assumptions set out below:
  - (i) *Share Buy-back out of capital or profits*
    - (A) Under the Bermuda Companies Act, a purchase or acquisition by a company of its own shares may only be funded out of the capital paid up on the purchased shares or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purposes of the purchase or the acquisition. Any premium payable on a purchase or acquisition over the nominal or par value of the shares to be purchased or acquired must be provided for out of funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account, before the shares are purchased or acquired.
    - (B) Any amount due to a shareholder on a purchase or acquisition by a company of its own shares may (i) be paid in cash; (ii) be satisfied by the transfer of any part of the undertaking or property of the company having the same value; or (iii) be satisfied partly under (i) and partly under (ii). Any purchase or acquisition by a company of its own shares may be authorised by its board of directors or otherwise by or in accordance with the provisions of its bye-laws. Such purchase or acquisition may not be made if, on the date on which the purchase or acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

## LETTER TO SHAREHOLDERS

(ii) *Number of Shares purchased or acquired*

Based on the issued and paid-up Shares as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the SGM, the purchase or acquisition by the Company of up to the maximum limit of ten per cent. (10.0%) of its issued Shares will result in the purchase or acquisition of 73,914,214 Shares.

(iii) *Maximum price paid for Shares purchased or acquired*

Based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date and assuming that none of the outstanding share options are exercised before the SGM and the Company purchases or acquires the maximum number of 73,914,214 Shares pursuant to the Share Buy-Back Mandate, in the case of On-Market Share Purchases and Off-Market Share Purchases by the Company at the Maximum Price of S\$0.365 (being the price equivalent to the 105.0% of the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date) and S\$0.418 (being the price equivalent to the 120.0% of the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date) per Share respectively, the maximum amounts of funds required for the purchase or acquisition of 73,914,214 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) are S\$26,978,688 or equivalent to approximately RMB135,306,214 in the case of On-Market Share Purchases, and S\$30,896,141 or equivalent to approximately RMB154,953,418 in the case of Off-Market Share Purchases.

(iv) The financial impact of the Share Buy-back by the Company pursuant to the Share Buy-Back Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 is set out below:

(I) On-Market Share Purchase – Share Buy-backs made entirely out of capital and held as treasury shares

As at 31 December 2017	← Group →		← Company →	
	Before Share Buy-backs	After Share Buy-backs	Before Share Buy-backs	After Share Buy-backs
	RMB'000	RMB'000	RMB'000	RMB'000
Profit/ (Loss) after tax and minority interests	145,770	145,770	6,035	6,035
Equity attributable to equity holders of the Company	1,261,899	1,126,717	329,731	194,549
NTA <sup>(1)</sup>	959,013	823,831	329,731	194,549
Current Assets	2,966,400	2,831,218	90,681	90,681 <sup>(2)</sup>
Current Liabilities	2,306,009	2,306,009	48,583	183,765
Working Capital	660,391	525,209	42,098	-93,084
Total Borrowings	1,084,816	1,084,816	6,616	6,616
Total Liabilities	3,597,282	3,597,282	742,455	877,637
Number of Shares	737,657,142 <sup>(3)</sup>	663,891,428	737,657,142	663,891,428
Treasury Shares	0	73,765,714	0	73,765,714

## LETTER TO SHAREHOLDERS

As at 31 December 2017	← Group →		← Company →	
	Before Share Buy-backs	After Share Buy-backs	Before Share Buy-backs	After Share Buy-backs
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Financial Ratios</u>				
Earnings per Share (RMB cents)	19.76	21.96	0.82	0.91
NTA per Share (RMB cents)	130.01	124.09	44.70	29.30
Gearing (times) <sup>(4)</sup>	0.86	0.96	0.02	0.03
Current Ratio (times) <sup>(5)</sup>	1.29	1.23	1.87	0.49

**Notes:**

- (1) NTA represents net assets attributable to equity holders of the Company. It excludes intangible assets and goodwill but includes land use rights and concession service arrangements which are capitalised.
- (2) Financing of the Share Buy-backs will be funded by the Company's subsidiaries. Hence, there will be no change in current assets of the Company, whereas total assets of the Company will decrease.
- (3) Number of shares was 737,657,142 as at 31 December, 2017, and was 739,142,142 as at 19 October, 2018.
- (4) Gearing equals total borrowings divided by Shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.
- (6) Assuming that the SGD:RMB exchange rate is 5.0153.
- (7) Calculated based on the maximum limit of ten per cent. (10.0%) of the Company's issued Shares and maximum price paid for Shares purchased or acquired.

(II) Off-Market Share Purchase – Share Buy-backs made entirely out of capital and held as treasury shares

As at 31 December 2017	← Group →		← Company →	
	Before Share Buy-backs	After Share Buy-backs	Before Share Buy-backs	After Share Buy-backs
	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(Loss) after tax and minority interests	145,770	145,770	6,035	6,035
Equity attributable to equity holders of the Company	1,261,899	1,107,405	329,731	175,237
NTA <sup>(1)</sup>	959,013	804,519	329,731	175,237
Current Assets	2,966,400	2,811,906	90,681	90,681 <sup>(2)</sup>
Current Liabilities	2,306,009	2,306,009	48,583	203,077
Working Capital	660,391	505,897	42,098	-112,396
Total Borrowings	1,084,816	1,084,816	6,616	6,616
Total Liabilities	3,597,282	3,597,282	742,455	896,949
Number of Shares	737,657,142 <sup>(3)</sup>	663,891,428	737,657,142	663,891,428
Treasury Shares	0	73,765,714	0	73,765,714

## LETTER TO SHAREHOLDERS

As at 31 December 2017	← Group →		← Company →	
	Before Share Buy-backs	After Share Buy-backs	Before Share Buy-backs	After Share Buy-backs
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Financial Ratios</u>				
Earnings per Share (RMB cents)	19.76	21.96	0.82	0.91
NTA per Share (RMB cents)	130.01	121.18	44.70	26.40
Gearing (times) <sup>(4)</sup>	0.86	0.98	0.02	0.04
Current Ratio (times) <sup>(5)</sup>	1.29	1.22	1.87	0.45

**Notes:**

- (1) NTA represents net assets attributable to equity holders of the Company. It excludes intangible assets and goodwill but includes land use rights and concession service arrangements which are capitalised.
- (2) Financing of the Share Buy-backs will be funded by the Company's subsidiaries. Hence, there will be no change in current assets of the Company, whereas total assets of the Company will decrease.
- (3) Number of shares was 737,657,142 as at 31 December, 2017, and was 739,142,142 as at 19 October, 2018.
- (4) Gearing equals total borrowings divided by Shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.
- (6) Assuming that the SGD:RMB exchange rate is 5.0153.
- (7) Calculated based on the maximum limit of ten per cent. (10.0%) of the Company's issued Shares and maximum price paid for Shares purchased or acquired.

**Shareholders should be aware that the financial effects set out above are based on respective assumptions and are only for illustrative purposes. The above analysis is based on historical figures for the financial year ended 31 December 2017 and is not necessarily representative of the Company's or the Group's future financial performance.**

### 2.7 Tax Implications Arising From Share Buy-back

Shareholders who are in doubt as to their respective tax positions or tax implications of a Share Buy-back by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

### 2.8 Reporting Requirements

The Listing Rules require the Company to make reports in relation to the Share Buy-Back Mandate as follows:

- (a) in the case of On-Market Share Purchases, purchases or acquisitions of Shares must be reported to the SGX-ST in the forms prescribed by the Listing Rules and announced to the public, not later than 9.00 a.m. on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (b) in the case of Off-Market Share Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the necessary information to the Company in a timely fashion to enable the Company to make the notifications to the SGX-ST.

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## LETTER TO SHAREHOLDERS

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### 2.9 Listing Rules

- (a) The Listing Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time(s). However, as the Company would be considered an “insider” in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase any Shares during the period commencing two (2) weeks before the announcement of the Company’s results for each of the first three (3) quarters of the financial year, and one (1) month before the announcement of the Company’s half year and full year results, as the case may be, and ending on the date of announcement of the relevant results.
- (b) The Listing Rules require a listed company to ensure that at least ten per cent. (10.0%) of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) are at all times held by the public. The “public”, as defined in the Listing Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons. As at the Latest Practicable Date, there is a public float of 277,336,533 Shares representing approximately 37.5% of the issued Shares (excluding treasury shares). Assuming the Company exercises the Share Buy-Back Mandate in full and purchases the maximum of ten per cent. (10.0%) of its Shares through On-Market Share Purchases from the public, the public float would be reduced to approximately 27.5% of the issued Shares (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake Share Buy-backs up to the full ten per cent. (10.0%) limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

### 2.10 Share Buy-backs during the last 12 months

The Company has not purchased or acquired any Shares during the 12-month period preceding the Latest Practicable Date.

### 2.11 Take-over Code Implications Arising From Share Buy-backs

- (a) There are presently no requirements under any Bermuda laws or regulations on take-over offers for Shares, which would be applicable to the Company. However, the Company is subject to Sections 138, 139 and 140 of the SFA and the Take-over Code notwithstanding that the Company is a corporation incorporated in Bermuda, as long as the Company is listed on a securities exchange (as defined in the SFA), which includes the SGX-ST.
- (b) **Obligation to make a take-over offer**

Pursuant to Appendix 2 of the Take-over Code, an increase of a shareholder’s proportionate interest in the voting rights of the Company as a result of any purchase or acquisition of Shares by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”).

Under Rule 14, a person will incur an obligation to make a mandatory take-over offer for the Company if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30.0% or more or, if they, together holding between 30.0% and 50.0% of the Company’s voting rights, increase their voting rights in the Company by more than one per cent. (1.0%) in any period of six (6) months.



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## LETTER TO SHAREHOLDERS

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If, as a result of any purchase or acquisition by the Company of Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

(c) **Persons acting in concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following persons to be acting in concert, namely:

- (i) a company with any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- (ii) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status; and
- (iii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

### 2.12 Effect of Rule 14 and Appendix 2 of the Take-over Code

The effect of Rule 14 and Appendix 2 of the Take-over Code is that:

- (a) unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and persons acting in concert with them would increase to 30% or more, or if the voting rights of such Directors and persons acting in concert with them fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and persons acting in concert with them would increase by one per cent. (1%) in any period of six (6) months; and
- (b) a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

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## LETTER TO SHAREHOLDERS

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The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

### 2.13 Application of the Take-over Code

The interests of the Directors and Substantial Shareholders of the Company in the Shares are disclosed in paragraph 3 below.

As at the Latest Practicable Date, assuming (a) the Company purchases or acquires the maximum amount of ten per cent. (10.0%) of the issued Shares, and (b) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders prior to and after the exercise of the Share Buy-Back Mandate, none of the Directors and Substantial Shareholders will become obligated to make a mandatory take-over offer under Rule 14 in the event that the Company purchases or acquires the maximum number of 73,914,214 Shares pursuant to the Share Buy-Back Mandate. The Company is not aware of any potential shareholders who would have to make a general offer under the Take-over Code and the SFA as a result of the Share Buy-Back Mandate.

**Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share buy-backs or acquisitions by the Company pursuant to the Share Buy-Back Mandate.**

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Company's register of interest of Directors and register of Substantial Shareholders respectively, as at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate, assuming (a) the Company purchases or acquires the maximum amount of ten per cent. (10%) of the total number of issued Shares, and (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or in which they are deemed interested, are as follows:

Directors	Direct Interest		Indirect/Deemed Interest <sup>(1)</sup>		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Guo Hong Xin <sup>(2)</sup>	–	–	147,716,554	19.98	147,716,554	19.98
Ma Ming <sup>(3)</sup>	–	–	128,541,737	17.39	128,541,737	17.39
Jiang Ning	–	–	–	–	–	–
Lau Ping Sum Pearce	–	–	–	–	–	–
Chin Sek Peng	–	–	–	–	–	–
Yang Zheng	–	–	–	–	–	–
Li Lei	–	–	–	–	–	–
Liu Haifeng David	–	–	–	–	–	–

## LETTER TO SHAREHOLDERS

Substantial Shareholders	Direct Interest		Indirect/Deemed Interest <sup>(1)</sup>		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Guo Hong Xin <sup>(2)</sup>	–	–	147,716,554	19.98	147,716,554	19.98
Ma Ming <sup>(3)</sup>	–	–	128,541,737	17.39	128,541,737	17.39
Allgreat Pacific Limited <sup>(4)</sup>	76,287,983	10.32	71,428,571	9.66	147,716,554	19.98
Claremont Consultancy Limited <sup>(5)</sup>	57,113,166	7.73	71,428,571	9.66	128,541,737	17.39
Sunpower Business Group Pte. Ltd.	71,428,571	9.66	–	–	71,428,571	9.66
Tournan Trading Pte. Ltd.	71,428,571	9.66	–	–	71,428,571	9.66
Lin Yucheng	100,000,000	13.53	–	–	100,000,000	13.53
Joyfield Group Limited	66,154,120	8.95	–	–	66,154,120	8.95
Pan Shuhong <sup>(6)</sup>	19,393,198	2.62	66,154,120	8.95	85,547,318	11.57

**Notes:**

- (1) Deemed interests refer to interests in shares as defined pursuant to Section 7 of the Act.
- (2) Mr Guo Hong Xin is (i) deemed to be interested in the 76,287,983 shares held by Allgreat Pacific Limited which is an investment holding company wholly owned by him, and (ii) deemed to be interested in the 71,428,571 shares held by Sunpower Business Group Pte. Ltd., which is an investment holding company wholly owned by Allgreat Pacific Limited, which is in turn wholly owned by him.
- (3) Mr Ma Ming is (i) deemed to be interested in the 57,113,166 shares held by Claremont Consultancy Limited which is an investment holding company wholly owned by him, and (ii) deemed to be interested in the 71,428,571 shares held by Tournan Trading Pte. Ltd., which is an investment holding company wholly owned by Claremont Consultancy Limited, which is in turn wholly owned by him.
- (4) Sunpower Business Group Pte. Ltd., is a wholly owned subsidiary of Allgreat Pacific Limited. Accordingly, Allgreat Pacific Limited is deemed to be interested in the 71,428,571 shares held by Sunpower Business Group Pte. Ltd.
- (5) Tournan Trading Pte. Ltd., is a wholly owned subsidiary of Claremont Consultancy Limited. Accordingly, Claremont Consultancy Limited is deemed to be interested in the 71,428,571 shares held by Tournan Trading Pte. Ltd.
- (6) Ms Pan Shuhong is deemed to be interested in the 66,154,120 shares held by Joyfield Group Limited which is wholly owned by her.

Save as disclosed in this Circular, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect in the Shares.

#### 4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed adoption of the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed adoption of the Share Buy-Back Mandate as set out in the Notice of SGM.

#### 5. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on page 19 of this Circular, will be held at Pisces and Aquarius, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on 28 December 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions (with or without any modification) set out in the Notice of SGM.

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## LETTER TO SHAREHOLDERS

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### 6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf must complete, sign and return the Depositor Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, not less than 48 hours before the time fixed for the SGM (i.e. not later than 10.00 a.m. on 26 December 2018). The completion and return of a Depositor Proxy Form by a Shareholder does not preclude him from attending and voting in person at the SGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a member of the Company entitled to attend the SGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the SGM.

A Depositor who is not an individual can only be represented at the SGM if its nominee/nominees is/are appointed as the CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of the CDP and to enable its nominee/nominees to attend and vote at the SGM, such Depositor should complete, execute and deposit the Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, not less than 48 hours before the time fixed for the SGM (i.e. not later than 10.00 a.m. on 26 December 2018).

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 during normal business hours on any weekday (public holidays excepted) up to and including the date of the SGM:

- (a) the Bye-Laws; and
- (b) the Annual Report of the Company for the financial year ended 31 December 2017.

Yours faithfully,  
**SUNPOWER GROUP LTD.**

For and on behalf of the Board of Directors  
**GUO HONG XIN**  
Executive Director, Chairman

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## NOTICE OF SPECIAL GENERAL MEETING

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### SUNPOWER GROUP LTD.

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

## NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the members of the Company will be held on 28 December 2018 at Pisces and Aquarius, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without any modification), the following resolutions:

### **ORDINARY RESOLUTION:**

#### **The Proposed Adoption of the Share Buy-Back Mandate**

It is RESOLVED that, approval be and is hereby given to the Company for the following actions:

- (a) the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases (“**On-Market Share Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purchase or acquisition; and/or
  - (ii) off-market share purchases (“**Off-Market Share Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit,

in accordance with all laws and regulations, including but not limited to the provisions of the Listing Manual, the Take-over Code, the Bermuda Companies Act, the Companies Act, and the Bye-Laws, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and the expiring on the earlier of:
  - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

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## NOTICE OF SPECIAL GENERAL MEETING

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(c) for the purposes of this Ordinary Resolution:

**“Prescribed Limit”** means ten per cent. (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the Bermuda Companies Act and such other laws and regulations as may for the time being be applicable, at any time during the Relevant Period (as hereinafter defined), in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

**“Relevant Period”** means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date of the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

**“Maximum Price”** in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

**“Market Day”** means a day on which the SGX-ST is open for trading in securities;

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

### By Order of the Board

Guo Hong Xin  
Executive Director, Chairman  
12 December 2018

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## NOTICE OF SPECIAL GENERAL MEETING

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### Notes:

- (1) All capitalised terms and expressions used in this Notice of SGM which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 12 December 2018.
- (2) In accordance with Section 76C of the Companies Act (Chapter 50 of Singapore Statutes) and the Bermuda Companies Act, the sources of funds to be used for the Share Buy-back and the financial effects that the Share Buy-back would have on the Company are stated under paragraphs 2.5 and 2.6 respectively, from pages 9 to 13 of the Circular.
- (3) With the exception of CDP (which may appoint more than two (2) proxies), a member of the Company who is entitled to attend and vote at the SGM and who is the holder of two (2) or more Shares is entitled to appoint no more than two (2) proxies to attend the SGM and vote in his stead. A proxy need not be a member of the Company.
- (4) All Depositor Proxy Forms must be lodged at the registered office of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, not less than 48 hours before the time appointed for holding the SGM in order for the proxy to be entitled to attend and vote at the SGM.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Special General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Special General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request, and (iv) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

