

## SUNPOWER GROUP LTD.

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### PROPOSED PLACEMENT OF UP TO 65,800,000 ORDINARY SHARES IN THE CAPITAL OF SUNPOWER GROUP LTD. AT AN ISSUE PRICE OF S\$0.14 PER SHARE

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#### 1. THE PROPOSED PLACEMENT

- 1.1 The board of directors (the “**Board**”) of Sunpower Group Ltd. (the “**Company**”) wishes to announce that the Company has on 23 April 2014 entered into a placement agreement (the “**Placement Agreement**”) with Stirling Coleman Capital Limited (the “**Placement Agent**”), pursuant to which the Placement Agent has agreed, on a best endeavour basis, to procure subscribers for up to 65,800,000 ordinary shares in the capital of the Company (“**Placement Shares**”) at an issue price of S\$0.14 per Placement Share (“**Issue Price**”) (the “**Proposed Placement**”).
- 1.2 The Issue Price represents no discount to the volume weighted average price (“**VWAP**”) of S\$0.14 for the trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 21 April 2014 (being the preceding trading day for the Shares prior to the time the Placement Agreement was signed). The Issue Price represents:
- a premium of 3.6% to the Company’s 6-month VWAP of S\$0.1352
  - a premium of 7.4% to the Company’s 3-month VWAP of S\$0.1304
  - a premium of 0.7% to the Company’s 1-month VWAP of S\$0.1390
- 1.3 The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with 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 issue of the Placement Shares (including any dividends that may be declared at the Company’s 2014 annual general meeting to be held on 25 April 2014).

#### 2. MANDATE FOR THE ISSUE OF THE NEW SHARES

- 2.1 The Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 26 April 2013 which authorises the directors of the Company (the “**Directors**”), pursuant to Bye-Law 12(B) of the Bye-Laws of the Company and listing rules of the SGX-ST (the “**Listing Manual**”), to allot and issue new Shares not exceeding 20% of the Company’s issued share capital (excluding treasury Shares) as at the date that the general mandate was passed in the case where Shares are issued other than on a pro rata basis to existing shareholders.
- 2.2 The number of issued Shares (excluding treasury Shares) as at the date that the general mandate was passed was 329,000,000 Shares. No Shares were previously issued under the general mandate prior to the Proposed Placement and as such, the maximum number of Shares that may be issued pursuant to the general mandate other than on a pro rata basis to existing shareholders is 65,800,000 Shares.
- 2.3 The Placement Shares represent 20% of the Company’s existing issued and paid-up share capital of 329,000,000 ordinary shares as at the date of this announcement. When completed, the Placement will increase the issued and paid-up share capital of the Company to 394,800,000 Shares (excluding treasury shares) and the Placement Shares

will represent approximately 16.67% of the Company's enlarged share capital after completion of the Placement.

### **3. RATIONALE**

- 3.1 The Company is undertaking the Proposed Placement to raise funds for the Group's additional working capital requirements. This is the first time the Company has issued any securities for fund raising since its listing in March 2005. The enlarged capital base following completion of the Proposed Placement is expected to improve the Group's capital structure.

### **4. NET PROCEEDS AND USE OF PROCEEDS OF THE PROPOSED PLACEMENT**

- 4.1 Based on the Issue Price and assuming the Placement Shares will be taken up in full, the estimated gross proceeds in respect of the Proposed Placement is approximately S\$9.2 million. After taking into account placement commission of 3.0% of the aggregate Issue Price and other professional expenses, the estimated net proceeds in respect of the Proposed Placement is approximately S\$8.9 million (the "**Net Proceeds**"). The Company intends to use the Net Proceeds for additional working capital requirements of the Group.
- 4.2 Prior to deployment, the Net Proceeds from the Proposed Placement may be deposited with financial institutions, invested in short-term money market instruments or used for any other purposes on a short-term basis, as the Directors may deem fit.
- 4.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed.

### **5. CONDITIONS FOR THE PROPOSED PLACEMENT**

- 5.1 The Proposed Placement is conditional upon, *inter alia*, the following:
- (a) approval in-principle being obtained from the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST in accordance with the terms of the Placement Agreement and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Official List of the SGX-ST are required to be fulfilled on or before the completion date, they are so fulfilled;
  - (b) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Bermuda, Singapore or elsewhere which is applicable to the Company or the Placement Agent;
  - (c) there having been, as at the completion date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in Clauses 4.1 and 4.2 of the Placement Agreement as if they were repeated on and as of the completion date; and
  - (d) the approval by the Board being obtained for the issuance of the Placement Shares pursuant to the Placement Agreement and all transactions contemplated under the Placement Agreement.

- 5.2 The Proposed Placement will be undertaken by way of a private placement in accordance with 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 issuance of the Placement Shares.
- 5.3 The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST. The Proposed Placement is conditional upon, *inter alia*, the approval in-principle of the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 6.1 None of the Directors of the Company nor (in so far as the Directors of the Company are aware) any substantial shareholders of the Company or their respective associates have any interest, whether direct or indirect, in the Proposed Placement.

## **7. GENERAL**

- 7.1 The Placement Shares will not be issued to any of the persons listed in Rule 812(1)(a) to (d) of the Listing Manual and will be in compliance with Rule 812.
- 7.2 The Placement Shares will not be issued to transfer a controlling interest without the prior approval of shareholders of the Company in a general meeting.
- 7.3 The Company will make the necessary announcements once the approval in-principle for the listing and quotation of the Placement Shares on the Official List of the SGX-ST has been obtained from the SGX-ST.

By order of the Board

**Mr Ma Ming**  
Executive Director  
23 April 2014