

SUNPOWER GROUP LTD.
(Incorporated in Bermuda)
(the “**Company**” and together with its subsidiaries the “**Group**”)

MINUTES OF SPECIAL GENERAL MEETING

Minutes of Special General Meeting (the “**Meeting**”) of the Company held at HQ-India Rooms, Assembly Building, Level 2, JW Marriott Hotel Singapore South Beach, 30 Beach Road, Singapore 189763 on Wednesday, 26 February 2025 at 10.00 a.m.

Present: As Per Attendance List

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 10 February 2025 issued by the Company (the “**Circular**”).*

CHAIRMAN

Mr Guo Hong Xin (the “**Chairman**”) called the Meeting to order at 10.00 a.m., and extended a warm welcome to all present at the Meeting.

The Chairman informed the Meeting that, as provided in the notice of the Meeting dated 10 February 2025 (the “**Notice of SGM**”), the shareholders of the Company (the “**Shareholders**”, and each, a “**Shareholder**”) who are unable to attend the Meeting may appoint proxy(ies) to vote on their behalf. The proxy forms lodged by the Shareholders had been checked and were found to be in order.

The Chairman informed the Meeting that the Company had not received any substantial relevant questions on the resolutions tabled at the Meeting from the Shareholders prior to the Meeting. However, the Company had received substantial questions from the Securities Investors Association (Singapore) on the Circular, and the responses had been announced on SGXNet on 25 February 2025.

The Chairman noted that there was a quorum for the Meeting and informed that the purpose of the Meeting was to approve (i) the proposed renounceable non-underwritten rights issue of up to S\$99,609,642 in aggregate principal amount of 7.00% Convertible Bonds, convertible into ordinary shares in the capital of the Company, (ii) the proposed whitewash resolution for the waiver of the rights of independent shareholders to receive a mandatory general offer from BLP Capital and its concert parties as a result of the conversion of the Convertible Bonds and, (iii) the proposed potential transfer of controlling interest to BLP Capital pursuant to the conversion of the Convertible Bonds and the irrevocable undertaking given by Mr Lin Yucheng, Joyfield Group Limited and Ms Pan Shuhong.

The Chairman continued with the business of the Meeting and proposed that the Notice of SGM be taken as read. As there were no objections, the Meeting proceeded to business.

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The Chairman briefed the Meeting on the outline of the agenda for the Meeting and informed the Meeting that, in order to accord due respect to the full voting rights of the Shareholders, the proposed resolutions tabled at the Meeting would be voted on by way of a poll, as required under Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Company had appointed In.Corp Corporate Services Pte. Ltd. as the polling agent, and Anton Management Solutions Pte. Ltd. as the scrutineers, for the conduct of the poll on the proposed resolutions and for verifying the result of the poll.

Before the Meeting proceeded further, the Chairman invited Mr Tan Kian Tiong of SAC Capital Private Limited, the Financial Advisor of the Company, to present the rationale and salient terms of the proposed rights issue. He informed that the presentation slides had been released and uploaded on SGXNet and the Company's corporate website on 25 February 2025.

The Chairman informed that he had been appointed as proxy for certain Shareholders; and as a result, his votes on the resolutions proposed to be passed at the Meeting would also include the votes cast on behalf of such Shareholders.

ORDINARY RESOLUTIONS

1. **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF CONVERTIBLE BONDS**

The Chairman informed the Meeting that Resolution 1 was to deal with the proposed renounceable non-underwritten rights issue of up to S\$99,609,642 in aggregate principal amount of 7.00% Convertible Bonds, convertible into ordinary shares in the capital of the Company and informed the Meeting that the details of the proposed renounceable non-underwritten rights issue and the Independent Directors' recommendation had been set out in the Company's Circular, which had been despatched to the Shareholders. He invited questions from the Shareholders.

A Shareholder raised a concern regarding the 7% per annum coupon interest rate on the proposed new convertible bonds to be issued by the Company (the "**new CBs**"). The Shareholder expressed concerns as to the Company's ability to redeem the new CBs, especially given its higher coupon interest rate compared with the 2.5% per annum coupon interest rate of the existing convertible bonds (the "**existing CBs**"), and the challenges faced in redeeming the existing CBs.

Ms Yolanda Wang ("**Ms Wang**"), the Chief Financial Officer of the Company, provided an explanation in response to the concern raised regarding the 7% coupon interest rate of the new CBs. She highlighted that the Group has maintained a positive operating cash flow with continued growth in recent years.

Ms Wang emphasised that with the completion of construction of the GI projects over time, the management anticipates capital expenditure to decline as compared with previous years. This is expected to enhance the Company's ability to manage its financial obligations.

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Ms Wang added that the management continues to optimise cash flow consistency and has established various financing options to support capital requirements. She also added that the management remains focused on cost control initiatives, including the implementation of effective cost management strategies to ensure financial stability. Additionally, the Group attaches great importance to banking relationships, and would reserve more credit facilities in hand.

A Shareholder enquired whether the Company had explored any external financing sources prior to proposing the rights issue. Mr Ma Ming ("**Mr Ma**"), the Chief Executive Officer and Executive Director of the Company, responded that the redemption of existing convertible bonds will be handled through a mixed solution. He explained that the new CBs rights issue is part of the redemption strategy and that bank facilities will also be utilised to facilitate the redemption.

Mr Gregory Yap ("**Mr Yap**"), Investor Relations Representative of the Company, added that over 50% of the existing convertible bonds have already been paid off using the Company's current resources including bank borrowings. He emphasised that the Company is not relying solely on the new CBs to finance the redemption of the existing CBs. Mr Yap further explained that the cost of the existing CBs is higher than that of the new CBs, given the 10% internal rate of return (IRR) required by the existing bondholders, whereas the new CBs has the 7% coupon interest rate.

A Shareholder enquired about which source of capital (i.e. bank facilities or the new CBs) would incur a lower cost. Ms Wang responded that the comprehensive interest rate for the Company's bank facilities is approximately 6%. She explained that the Company aims to balance its capital structure by not relying entirely on banking facilities, but instead seeking a mix of financing options to support existing business needs and future opportunities. Additionally, if the new CBs are converted, they would be converted into equity which would in turn improve the long-term capital structure of the Company.

A Shareholder enquired about the impact of the biomass subsidy on the Company's profit, as well as the relationship with BLP Capital. The Shareholder also asked whether BLP Capital would play a role in the Company's operations in the future.

Ms Wang responded that the Company had provided a one-off provision for the biomass subsidy due to historical reasons. She further clarified that the Company would continue to benefit from the biomass subsidy moving forward when it is disbursed.

Ms Winnie Lyu, Investor Relations Director of the Company, reported that, as disclosed in the Circular, Mr Lin Yucheng, Joyfield Group Limited, and Ms Pan Shuhong are the substantial shareholders of the Company and they have given irrevocable undertakings to the Company.

Further, as disclosed in the Circular, bondholders acting in concert holding more than 25% of the principal amount of the new CBs (at issuance) are entitled to nominate a maximum of two (2) individuals to the Board.

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Subject to the priority of foregoing, Bondholder(s) who hold more than 20% but less than or equal to 25% of the principal amount of the Convertible Bonds (at issuance) shall be entitled to nominate one (1) person to the Board. In the event of competing nominations, Bondholder(s) with the higher percentage shall prevail.

A Shareholder sought the view of the Independent Directors regarding the new CBs. Limjoco Ross Yu ("**Mr Limjoco**"), an Independent Director, reported that the Company has engaged an Independent Financial Advisor ("**IFA**") who has advised the Independent Directors that the terms and conditions of the rights issue and the convertible bonds are fair and reasonable. He also highlighted that if the Company is unable to redeem the existing CBs, it would result in a default. Additionally, the terms of the new CBs are more favorable than the existing CBs, which would help the cash flows of the Group.

Mr Limjoco further explained that the Company's business model is capital-intensive, as it is an infrastructure-based business, with profits expected to materialise in the longer term. Currently, the Company has 11 ongoing GI projects generating cash flow and profits. Based on the opinion of the IFA, the Independent Directors are of the view that the new CBs represent the right capital-raising approach for the redemption of the existing CBs and would be beneficial to the Shareholders.

Mr Mak Yen-Chen Andrew ("**Mr Mak**"), an Independent Director of the Company, concurred with Mr Limjoco, and explained that the redemption of existing convertible bonds will be managed through a combination of bank facilities and the new CBs. Mr Mak emphasised that the Independent Directors have professionally presented their recommendation with the assistance of the IFA, and it is now for the Shareholders to assess the proposal.

Mr Wang Dao Fu, an Independent Director of the Company, added that the maturity and redemption of the existing CBs has been a key issue for the Company in recent years. Both the management and the Board have worked diligently to explore various solutions for the redemption. The Company had assessed each solution with the assistance of professional agencies and believes that the new CBs rights issue offer the most viable solution to address the existing CB issue and it will benefit the Company and its stakeholders.

Mr Yang Zheng ("**Mr Yang**"), the Lead Independent Director of the Company, agreed with the views expressed by the other Independent Directors, affirming that the proposed solution is the most viable way to address the issue with the existing convertible bonds. He stated that the Company's foundation is strong, and that financing through convertible bonds in the past had been instrumental in expanding the Company's business. However, he pointed out that the existing convertible bond holders prefer to exit rather than convert their bonds into shares, which necessitates the redemption of the principal amount. Failure to redeem the bonds would expose the Company to default risk, impacting all Shareholders.

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Mr Yang further emphasised the importance of resolving the convertible bonds issue and assured that the interests of the Independent Directors are aligned with those of the minority Shareholders. He highlighted that each decision made by the Independent Directors is focused on prioritising and safeguarding the interests of the minority Shareholders. The Board comprises experts from various industries, ensuring that all rights are exercised professionally and in the best interests of the Company.

A Shareholder enquired about the Company's future capital expenditure plans and Quanjiao Project. Mr Yap responded that the Company currently has 11 operating GI projects. Regarding Quanjiao Project, he explained that the Company is expanding to Phase 2 due to strong demand for steam. The management's focus will be on improving the efficiency of existing plants to enhance its profitability, generate more cash flow, and reduce borrowings. Mr Yap further stated that the Company has been profitable since its listing on the Singapore Exchange Securities Trading Limited in 2005. Additionally, Mr Yap highlighted that the Company had previously declared a special dividend to Shareholders following the disposal of its M&S business in 2021.

A Shareholder enquired about the one-off provision for bad debt related to the biomass power subsidies, as disclosed in the third-quarter results announcement. Mr Ma explained that similar businesses in China are facing the same issue, and the management does not expect this to recur in the future. He clarified that the Company has only two boilers which involves the biomass power subsidy.

Mr Ma further added that the Company issued its first convertible bonds in 2017 and has faced several challenges over the years, including COVID-19, feedstock issues, and global geopolitical turmoil. Despite these challenges, both the revenue and EBITDA of the Company have increased from 2018 to 2023. He encouraged Shareholders to refer to the upcoming full-year results announcement, noting that by excluding the one-off provision for bad debt related to the biomass subsidy, the results will demonstrate that the business model is sound and that the management has executed the correct strategy.

Mr Ma explained that approximately 80% of the Company's revenue is generated from the sale of steam, which is essential and irreplaceable for use in various industries. He highlighted that the Company has established a diversified portfolio across different industries, locations and customer base. Despite the ongoing global challenges, Mr Ma highlighted that, barring unforeseeable circumstances, the Company is expected to grow.

Mr Ma added that the management has established a price adjustment mechanism which links the feedstock price to the steam price, thereby supporting the Company's profitability. This mechanism is unique, ensuring that the price correlates with the cost of raw materials. Additionally, the Company has leveraged new technology to enhance efficiency and reduce operational costs.

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Mr Ma further added that the Company maintains strong relationships with its bankers and financial institutions and is actively negotiating the reduction of financing costs. Mr Ma emphasised that by addressing the issue of the existing CBs, a burden will be alleviated for the Company, thereby creating more opportunities for both the Company and its stakeholders. Mr Ma concluded that the Company is proceeding with the new CBs to ensure that all Shareholders have an equal opportunity to participate, rather than opting for a private placement.

There being no further questions from the Shareholders, the Chairman proposed Resolution 1 and requested a Shareholder to second the same. The resolution was duly proposed and seconded.

2. THE WHITEWASH RESOLUTION

The Chairman proceeded to deal with Resolution 2 with respect to the proposed whitewash resolution for the waiver of the rights of independent shareholders to receive a mandatory general offer from BLP Capital and its concert parties as a result of the conversion of the Convertible Bonds (the "**Whitewash Resolution**"), and informed the Meeting that the details of the Whitewash Resolution and the Independent Directors' recommendation had been set out in the Company's Circular, which had been despatched to the Shareholders. He invited questions from the Shareholders.

There being no questions from the Shareholders, the Chairman proposed Resolution 2 and requested a Shareholder to second the same. The resolution was duly proposed and seconded.

3. THE TRANSFER RESOLUTION

The Chairman proceeded to deal with Resolution 3 with respect to the proposed potential transfer of controlling interest to BLP Capital pursuant to the conversion of the Convertible Bonds and the irrevocable undertaking given by Mr Lin Yucheng, Joyfield Group Limited and Ms Pan Shuhong (the "**Transfer Resolution**"), and informed the Meeting that the details of the Transfer Resolution and the Independent Directors' recommendation had been set out in the Company's Circular, which had been despatched to the Shareholders. He invited questions from the Shareholders.

There being no questions from the Shareholders, the Chairman proposed Resolution 3 and requested a Shareholder to second the same. The resolution was duly proposed and seconded.

POLL

The Chairman directed a poll to be taken on the resolutions pursuant to the Bye-Laws of the Company. It was noted that the poll voting slips were distributed during the registration of attendance before the Meeting commenced.

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After all poll voting slips were submitted, the Chairman informed the Meeting that there would be a short break while the polling agent counted the votes.

The Meeting was adjourned at 11.35 a.m. for the counting of votes and reconvened at 11.45 a.m.

The Scrutineer's Certificate which sets out the results of the poll was presented to the Chairman. The results of the poll (attached and marked "A" for the purpose of these minutes) was projected on the screen to the Shareholders. Based on the results of the poll, the Chairman declared that the Resolution 1, 2 and 3 were carried as there were more votes "For" than "Against" each resolution.

It be noted that:

The following resolution was passed as Resolution 1:

"RESOLVED that, approval be and is hereby given to the Directors (or any of them):

- (a) to create and issue up to S\$99,609,642 in aggregate principal amount of 7.00% Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds (the "**Terms and Conditions**"), such Convertible Bonds to be convertible into new ordinary shares in the capital of the Company ("**Conversion Shares**") at a conversion price (the "**Conversion Price**") determined in accordance with the Terms and Conditions;
- (b) to allot and issue:
 - (i) such number of Conversion Shares as may be required or permitted to be allotted and issued on the conversion of the Convertible Bonds, to the Bondholders on the conversion thereof, subject to and otherwise in accordance with the terms and conditions of the Convertible Bonds, whereby such Conversion Shares when issued shall rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company, save as may be provided in the Terms and Conditions; and
 - (ii) on the same basis as sub-paragraph (b)(i) above, such further Conversion Shares as may be required to be allotted and issued on the conversion of any of the Convertible Bonds upon the adjustment of the Conversion Price in accordance with the Terms and Conditions; and
- (c) to complete and to do all such acts and things as they may consider necessary, desirable, expedient to give effect to this Resolution 1, including without limitation to the foregoing, to make such amendments to the Terms and Conditions (provided that the amendments are not material), to negotiate, sign, execute and deliver all documents (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and approved."

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The following resolution was passed as Resolution 2:

“RESOLVED that, subject to Resolution 1 being passed, subject to the satisfaction of all the conditions set out in the SIC's letter dated 8 January 2025, Shareholders (other than the BLP Concert Party Group) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the BLP Concert Party Group in accordance with Rule 14 of the Code, in the event that the allotment and issuance of Conversion Shares to the BLP Concert Party Group results in them incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code.”

The following resolution was passed as Resolution 3:

“RESOLVED that, subject to Resolution 1 being passed, approval be and is hereby given to the Directors (or any of them):

- (a) for the allotment and issue of Conversion Shares that could potentially result in the transfer of controlling interest in the Company to BLP Capital under Rule 803 of the Listing Manual arising from the Proposed Transactions; and
- (b) to complete and to do all such acts and things as they may consider necessary, desirable, expedient to give effect to this Resolution 3, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and approved.”

CONCLUSION

There being no other business, the Chairman thanked all present at the Meeting and declared the Meeting closed at 11.50 a.m.

Confirmed as a correct record

Signed by Mr Guo Hong Xin
Chairman of Meeting

Dated: 24 March 2025