



SUNPOWER GROUP LTD.

(Company Registration No. 35230)

(Incorporated in Bermuda with limited liability)

THE PROPOSED DISPOSAL OF THE ENTIRE MANUFACTURING AND SERVICES (M&S) BUSINESS OF THE COMPANY –

- (1) RECEIPT OF REMAINING ESCROW OF CONSIDERATION INTO ESCROW ACCOUNT;**
 - (2) SATISFACTION OF TRANCHE 2 CONDITIONS; AND**
 - (3) RELEASE OF WITHHELD AMOUNT TO RELEVANT SHAREHOLDERS PURSUANT TO AMENDED LETTER OF UNDERTAKING**
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1. INTRODUCTION

The Board of Directors (the "**Board**") of Sunpower Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to:

- (a) the circular dated 31 March 2021 ("**Circular**") issued by electronic means by the Company to the shareholders of the Company ("**Shareholders**") in relation to, *inter alia*, the sale and purchase agreement (the "**SPA**") entered into between Sunpower International Holding (Singapore) Pte. Ltd. ("**Sunpower International**"), a wholly-owned subsidiary of the Company, and Nanjing Sunpower Holdings Co., Ltd. (南京中圣控股有限责任公司) (the "**Purchaser**") on 31 December 2020, pursuant to which Sunpower International has agreed to sell, and the Purchaser has agreed to acquire, the entire issued and paid-up share capital of Sunpower Technology (Jiangsu) Co., Ltd. (中圣科技(江苏)有限公司), an indirect wholly-owned subsidiary of the Company, subject to the terms and conditions of the SPA (the "**Proposed Disposal**"). The Group will be disposing of its entire manufacturing and services business ("**M&S Business**") and all of the property, assets, rights, undertakings and liabilities of the Group pertaining to the same through the Proposed Disposal. Following the Proposed Disposal, the Group's remaining core business will be the Green Investment business.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Circular;

- (b) the announcement dated 29 March 2021 in relation, *inter alia*, a letter of undertaking (the "**Letter of Undertaking**") provided by Allgreat Pacific Limited, Sunpower Business Group Pte. Ltd., Claremont Consultancy Limited and Tournan Trading Pte. Ltd. (collectively, the "**Relevant Shareholders**"), being entities holding Shares in the Company which are wholly owned by Mr. Guo or Mr. Ma, to the Company and Sunpower International in respect of the withholding of an amount equivalent to the Balance Consideration Amount (being RMB100,000,000) from the Tranche 1 Special Dividend payable to the Relevant Shareholders;
- (c) the announcement dated 16 April 2021 in relation to, *inter alia*, the approval by Shareholders of the Proposed Disposal;
- (d) the announcement dated 30 April 2021 in relation to, *inter alia*, the satisfaction of all Tranche 1 Conditions, the receipt of the escrow of 96.51% of the Consideration for the Proposed Disposal into the Onshore Escrow Account, and the amendments made to the Letter of Undertaking in respect of the withholding of an amount equivalent to such amount of the Consideration which has not been escrowed as at the date of payment of the Tranche 1 Special Dividend (being RMB80,000,000) from the Tranche 1 Special Dividend payable to the Relevant Shareholders;

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- (e) the announcement dated 21 May 2021 in relation to, *inter alia*, Sunpower International's receipt of the Tranche 1 Consideration; and
 - (f) the announcement dated 24 May 2021 in relation to, *inter alia*, the notice of record date and dividend payment date of the Tranche 1 Special Dividend.

2. RECEIPT OF REMAINING ESCROW OF CONSIDERATION

- 2.1 As set out in the Company's announcement dated 30 April 2021, 96.51% of the Consideration, being RMB2,210,000,000, had been escrowed into the Onshore Escrow Account in accordance with the terms of the Onshore Escrow Agreement and the SPA.
- 2.2 The Board wishes to update that the remaining 3.49% of the Consideration, being RMB80,000,000, has also been escrowed into the Onshore Escrow Account.

3. SATISFACTION OF TRANCHE 2 CONDITIONS

- 3.1 As set out in Paragraph 3.1(c)(ii) of the Circular, the payment of 30% of the Consideration, being RMB687,000,000, by the Purchaser to Sunpower International is subject to the satisfaction or waiver by the Purchaser of the Tranche 2 Conditions.
- 3.2 As at the date of this Announcement, the Board is pleased to announce that all of the Tranche 2 Conditions, including the discharge of all of the M&S Corporate Guarantees, have been satisfied.

4. RELEASE OF THE WITHHELD AMOUNT PURSUANT TO AMENDED LETTER OF UNDERTAKING

- 4.1 As set out in the Company's announcements dated 29 March 2021, 30 April 2021 and 24 May 2021, pursuant to the Letter of Undertaking, in respect of the Relevant Shareholders, an amount equivalent to the amount of the Consideration that has not been escrowed as at the date of payment of the Tranche 1 Special Dividend has been withheld from the Tranche 1 Special Dividend payable to the Relevant Shareholders (being RMB80,000,000) (the "**Withheld Amount**"), to ensure that the Group will have, either in escrow (pursuant to the Purchaser escrowing the Balance Consideration Amount to the Onshore Escrow Account) or in the Withheld Amount, the full amount of the total Consideration as at Tranche 1 Completion Date. The Letter of Undertaking provides that the Company will withhold such Withheld Amount until such time that Sunpower International receives the total Consideration and the Company will be obliged to pay such Withheld Amount to the Relevant Shareholders only when the Company declares and pays the Tranche 2 Special Dividend. Nonetheless, in order to provide flexibility and discretion to the Company, amendments have been made to the Letter of Undertaking to clarify that the Company also has the discretion to release the Withheld Amount to the Relevant Shareholders as and when the full amount of the Consideration has been escrowed into the Onshore Escrow Account, given that the overarching intention is to ensure that the Group will have, either in escrow, or in the Withheld Amount, the full amount of the total Consideration.
- 4.2 Given that the full amount of the Consideration has been escrowed into the Onshore Escrow Account, the Company will proceed to release the Withheld Amount to the Relevant Shareholders after this announcement in accordance with the amended Letter of Undertaking as disclosed above.

5. PAYMENT OF TRANCHE 2 CONSIDERATION AND TRANCHE 2 SPECIAL DIVIDEND

- 5.1 As set out in Paragraph 3.1(a)(ii)(2) of the Circular, the Tranche 2 Consideration, amounting to 30% of the Consideration, shall be paid to Sunpower International within 20 Business Days of the Tranche 2 Conditions being satisfied or waived by the Purchaser, or such other date as may be mutually agreed between the Parties. Further update(s) will be provided in relation to the Tranche 2 Consideration when it is received by the Company.

5.2 Given that Tranche 2 Conditions have been satisfied, payment of the Tranche 2 Special Dividend of approximately RMB0.4833 per Share¹ to Shareholders will be made upon the receipt by the Company of the Tranche 2 Consideration. Accordingly, the Company will make a further announcement on the record date and the actual payment date for the Tranche 2 Special Dividend.

6. CAUTIONARY STATEMENT

The Company will release further announcement(s) in respect of the receipt of the Tranche 2 Consideration and the payment of the Tranche 2 Special Dividend, as and when necessary in compliance with the Listing Manual of the SGX-ST. The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

Ma Ming
Executive Director

26 June 2021

¹ Based on 1,152,523,142 Fully Diluted Total Shares. The actual amount of the Tranche 2 Special Dividend will be paid in SGD based on the actual exchange rate utilised by the Company for the purposes of such payment.