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

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE EXISTING BONDS

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Sunpower Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement dated 9 December 2024 ("**Rights Issue Announcement**") made by the Company in connection with its proposed renounceable non-underwritten rights issue (the "**Rights Issue**") of up to S$99,609,642 in aggregate principal amount of 7.00% convertible bonds convertible into up to 398,438,568 new ordinary shares in the capital of the Company.

1.2 As stated in the Rights Issue Announcement, in order to fully repay the balance due and payable to Glory Sky Vision Limited ("**CDH**"), Alpha Keen Limited, Green Hawaii Air Limited and Blue Starry Energy Limited (together with Alpha Keen Limited and Green Hawaii Air Limited, "**DCP**", and together with CDH, the "**Existing Bondholders**") under the convertible bonds in an aggregate principal amount of approximately US$130 million held by the Existing Bondholders (the "**Existing Bonds**") issued pursuant to the convertible bond purchase agreement dated 22 May 2018 (as amended and supplemented by a supplemental agreement dated 16 August 2018, a further supplemental agreement dated 28 January 2019, an amendment agreement dated 31 December 2020 and an amendment agreement dated 24 March 2023, and as may be further supplemented from time to time, the "**Convertible Bond Purchase Agreement**") entered into with the Existing Bondholders, the Company will be undertaking (a) a partial repayment of the Existing Bonds using the current resources of the Group, namely bank borrowings, such repayment to be completed prior to the completion of the Rights Issue ("**Partial Redemption**"), and (b) the Rights Issue, to repay the remaining amount of the aforesaid liabilities in connection with the Existing Bonds.

1.3 The Board wishes to announce that, in order to implement the Partial Redemption, the Company has on 20 December 2024 entered into an alternative redemption agreement (the "**Alternative Redemption Agreement**") with the Existing Bondholders to agree to an alternative redemption arrangement which shall apply in lieu of the redemption mechanism as set out in the terms and conditions of the Existing Bonds (the "**Terms and Conditions**") with effect from the date thereof (the "**Proposed Amendments**"). Further details of the Proposed Amendments are set out in paragraph 2 of this Announcement.

2. PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS

2.1 Under Condition 8(A)(i)(x) of the Terms and Conditions, unless previously redeemed or converted and cancelled as provided therein or otherwise agreed by the Existing Bondholder and the Company in writing, the Company will redeem each Existing Bond on the later of (a) 3 April 2025 and (b) if so elected by the Existing Bondholders (at their sole discretion) by written notice to the Company delivered not less than 10 business days before 3 April 2025, the date that is the 15th business day after the date on which the Company's audited financial statements for 2024 are issued ("**Maturity Date**") at a redemption price equal to the higher of

the YTM Redemption Price and the Maturity Partial Sale Redemption Price (each as defined in the Terms and Conditions).

2.2 Pursuant to the Alternative Redemption Agreement, the Company and the Existing Bondholders have mutually agreed that, *inter alia*:

(a) the Company may, at any time between the date of the Alternative Redemption Agreement and the date which is seven (7) business days prior to the Remaining Redemption Date (as hereinafter defined) redeem a portion of each Existing Bond on a pro rata basis at a redemption price equal to the sum of (i) the principal amount of the Existing Bond proposed to be redeemed (the "**Partial Redemption Principal Amount**"), plus (ii) accrued and unpaid interest on the Partial Redemption Principal Amount of such Existing Bond, plus (iii) a premium, that would generate for the holder of such Existing Bond the Redemption YTM (as defined in the Terms and Conditions) on the Partial Redemption Principal Amount in accordance with the terms and conditions of the Alternative Redemption Agreement; and

(b) the Company shall, on a date which is within fifteen (15) business days after the date on which the Company has received the net proceeds from the Rights Issue but in any event no later than the Maturity Date (such date, the "**Remaining Redemption Date**"), redeem the remaining outstanding principal amount of each Existing Bond (the "**Remaining Principal Amount**") at a redemption price equal to the sum of (i) the Remaining Principal Amount of such Existing Bond, plus (ii) accrued and unpaid interest on the Remaining Principal Amount of such Existing Bond, plus (iii) a premium that would generate for the holder of such Existing Bond the Redemption YTM on the Remaining Principal Amount in accordance with the terms and conditions of the Alternative Redemption Agreement.

2.3 The Company intends to undertake the Partial Redemption in tranches and the Partial Redemption is expected to be completed prior to the completion of the Rights Issue. The Company will make further announcements on any material developments to update shareholders of the Company ("**Shareholders**") as and when appropriate.

2.4 Upon the redemption of the Existing Bonds in full in accordance with the terms of the Alternative Redemption Agreement, all of the Existing Bonds will be fully redeemed, and will be cancelled in accordance with Condition 8(D) of the Terms and Conditions.

2.5 For the avoidance of doubt, as the Proposed Amendments are made pursuant to Condition 8(A)(i)(x) of the Terms and Conditions, the Proposed Amendments will not be subject to the approval of the Shareholders of the Company under Condition 12 of the Terms and Conditions.

2.6 Apart from the Proposed Amendments (as described under paragraph 2.2 above), no other amendments have been made to the Terms and Conditions.

3. RATIONALE FOR THE ENTRY INTO THE ALTERNATIVE REDEMPTION AGREEMENT AND DIRECTORS' VIEWS

3.1 As stated in the Rights Issue Announcement, the Partial Redemption is a crucial step towards the Company's goal of fully repaying the Existing Bonds due on the Maturity Date. The Partial Redemption will allow the Company to reduce its overall financial outlay compared with a full repayment of the Existing Bonds at Maturity Date in accordance with the prevailing Terms and Conditions, thereby allowing the Company to realise cost savings.

3.2 In addition, with significant progress made in fulfilling its redemption obligations under the Existing Bonds, the Company will be better positioned to focus on its business strategy following the completion of the Partial Redemption and the proposed Rights Issue.

3.3 Furthermore, as the Company intends to finance the Partial Redemption through the use of the current resources of the Group, namely bank borrowings, and the Partial Redemption will be completed prior to the completion of the Rights Issue, the proposed capital structure aims to achieve a balanced overall mix of debt and convertible securities, thereby mitigating any potential excessive dilutive effect on the Shareholders who may not participate in the Rights Issue.

3.4 Taking into account the foregoing in its entirety, the Board (save for Li Lei and Wang Guannan, as further explained under paragraph 4 of this Announcement) are of the view that Proposed Amendments are necessary and in the interests of the Company and its Shareholders.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Li Lei and Wang Guannan, being Non-Executive and Non-Independent Directors appointed by the Existing Bondholders pursuant to the terms of the Convertible Bond Purchase Agreement, are deemed to have an interest in the Proposed Amendments. As such, each of Li Lei and Wang Guannan has recused (and will continue to recuse) himself or herself from the Board's decision-making in relation to the Proposed Amendments and will abstain from participating in any recommendation to be made by the Board with respect to the Proposed Amendments.

4.2 Save as disclosed in this Announcement, none of the Directors or substantial Shareholders of the Company, as well as their respective associates, have any interests, direct or indirect, in the Proposed Amendments (other than through their respective shareholdings in the Company, if any).

5. DOCUMENTS FOR INSPECTION

Copies of the Alternative Redemption Agreement, the Convertible Bond Purchase Agreement and the Terms and Conditions will be available for inspection during normal business hours at the registered office of In.Corp Corporate Services Pte. Ltd., the share registrar of the Company, at 30 Cecil Street #19-08 Prudential Tower Singapore 049712, for a period of three (3) months commencing from the date of this Announcement.

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares as there is no certainty or assurance that the Proposed Amendments will be approved by the Shareholders or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this Announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

MA MING
Executive Director and Chief Executive Officer

20 December 2024