SUNPOWER GROUP LTD.

RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

In response to the question below raised by the Singapore Exchange Securities Trading Limited, the board of Directors (the "**Board**") of Sunpower Group Ltd. (the "**Company**") wishes to provide the following response:

Question:

Listing Rule 1207(10C) requires that the Annual Report include Audit committee's comment on whether the internal audit function is independent, effective and adequately resourced. On page 44 of the Annual Report, we note that "The AC is satisfied that the internal audit function is adequately resourced". Please disclose whether and how Listing Rule 1207(10C) has been complied with, in respect of whether the internal audit function is independent and effective. Where the internal audit function is outsourced, please provide information on the relevant experience of accounting firm and the engagement team.

Our Response:

The Company has outsourced its internal audit function to CLA Global TS Risk Advisory Pte Ltd ("**CLA Global TS**") (previously known as Nexia TS Risk Advisory Pte Ltd). In carrying out its internal audit work, CLA Global TS is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

CLA Global TS is recognised as an established mid-tier accounting firm of more than 25 years. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The internal audit team from CLA Global TS comprises the engagement lead, a manager and experienced staff members. The engagement lead who is a member of the Association on of Chartered Certified Accountants and a member of the Institute of Internal Auditors Singapore, has more than 15 years of professional experience performing and leading internal audits, internal control reviews, corporate governance, compliance, and enterprise risk management related reviews. He has conducted internal audit of companies listed in Singapore, Hong Kong and Chile, private companies, not-for-profit organisations, Institutions of Public Character and public sector agencies.

As disclosed on page 44 of the Annual Report, the internal audit is planned and carried out independently by CLA Global TS, in consultation with the Audit Committee of the Company ("**AC**"). The AC oversees the activities and work performed by CLA Global TS, so as to ensure that the internal audit plans are aligned with the Group's risk management programme, and that effective and efficient controls are in place to manage the risks in the Group.

In view of the above, the Company and the AC believe that the Company's internal audit function is carried out independently and effectively, and is adequately resourced.

By order of the Board

Ma Ming
Executive Director and Chief Executive Officer

21 April 2023