



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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF CONVERTIBLE BONDS

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or "**Directors**") of Sunpower Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**"), wishes to announce (the "**Announcement**") that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to S\$99,609,642 in aggregate principal amount of 7.00% convertible bonds (the "**Convertible Bonds**") convertible into up to 398,438,568 new ordinary shares in the capital of the Company (the "**Shares**", and the new Shares to be issued upon the conversion of the Convertible Bonds, the "**Conversion Shares**") in the denomination of S\$1.00 each and integral multiples thereof, on the basis of 125 Convertible Bonds for every 1,000 existing Shares held by Entitled Shareholders (as defined herein), as at a date and time to be determined by the Board for the purpose of determining the entitlements of the Entitled Shareholders under the Rights Issue (the "**Record Date**"), fractional entitlements to be disregarded.
- 1.2 The Company will be seeking approval from the shareholders of the Company (the "**Shareholders**") by way of a special general meeting (the "**SGM**") to be convened for the Rights Issue Resolution (as defined herein), the Transfer Resolution (as defined herein) and the Whitewash Resolution (as defined herein). A circular to Shareholders ("**Circular**") containing further information on the Rights Issue and the Whitewash Waiver (as defined herein), together with the notice of the SGM, will be issued by the Company in due course.
- 1.3 The Company has appointed SAC Capital Private Limited as the manager of the Rights Issue.

2. THE RIGHTS ISSUE

- 2.1 The principal terms of the Rights Issue are as follows:

Principal Terms	Description
Issue Price and Principal Amount	: S\$1.00 for each Convertible Bond (" Issue Price ").
Conversion Price	: Subject to adjustments to be set out in the terms and conditions of the Convertible Bonds (the " Terms and Conditions "), the initial conversion price at which each Conversion Share will be issued shall be S\$0.25 (the " Conversion Price ").
Discount	: The Conversion Price represents a discount of approximately 9.09% over the closing price of S\$0.275 per Share quoted on the Singapore Exchange Securities Trading Limited (the " SGX-ST ") on 6 December 2024, being the last full market day immediately before the date of this Announcement.

Principal Terms	Description
	The Conversion Price and discount have been determined by the Directors after taking into account the prevailing market price of the Shares and the rationale, size and terms of the Rights Issue.
Allotment Ratio	: The Convertible Bonds are proposed to be offered on a renounceable basis to Entitled Shareholders and issued in the denomination of S\$1.00 in principal amount of Convertible Bonds amounting to 125 Convertible Bonds for every 1,000 existing Shares held by them on the Record Date, fractional entitlements to be disregarded.
Use of Proceeds	: Please refer to paragraph 4 for further information on the use of proceeds.
Purpose of Rights Issue	: Please refer to paragraph 3 for further information on the purpose of the Rights Issue.
Maturity Date	: Five (5) years from the issue date of the Convertible Bonds (the " Maturity Date ").
Coupon	: 7.00% per annum, payable on a semi-annual basis.
Form and Denomination	: The Convertible Bonds will be issued in registered form and in the denomination of S\$1.00 each and integral multiples thereof and will initially be represented by a global certificate registered in the name of, and deposited with, The Central Depository (Pte) Limited (" CDP "). Except in the limited circumstances described in the provisions of the global certificate representing the Convertible Bonds, owners of interests in the Convertible Bonds represented by such global certificate will not be entitled to receive definitive security certificates in respect of their individual holdings of Convertible Bonds. The Convertible Bonds which are represented by such global certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.
Conversion Right	: Holders of Convertible Bonds (the " Bondholders ") will have the right to convert their Convertible Bonds into Conversion Shares, credited as fully paid, in accordance with the Terms and Conditions.
Conversion Period	: Subject to and in compliance with the Terms and Conditions and any applicable fiscal or other laws or regulations, Bondholders may exercise the right to convert their Convertible Bonds, in whole or in part, into Conversion Shares at quarterly intervals on or after the date falling 60 days after the issue date of the Convertible Bonds up to the close of business on the date falling 15 business days prior to the Maturity Date, excluding Closed Periods (as described in the Terms and Conditions), or if such Convertible Bond shall have been called for redemption before the Maturity Date, then up to the close of business on a date no later than 15 business days prior to the date fixed for redemption thereof but excluding the Closed Periods (as described in the Terms and Conditions), provided that the conversion date in respect of any Convertible Bonds for which the conversion right has been validly exercised shall (subject to the provisions of the Terms and Conditions) fall on the 15 th day or the last day (whichever is earlier) of the calendar month, and provided that, in each case, if

Principal Terms	Description
	such final date for the exercise of the right to convert is not a business day, then the period for exercise of conversion by Bondholders shall end on the immediately preceding business day.
Adjustments to Conversion Price	<p>: The Conversion Price will be subject to adjustment in certain events, including:</p> <ul style="list-style-type: none"> (a) consolidation, share buybacks, subdivision or reclassification; (b) capitalisation of profits or reserves; (c) capital distributions; (d) rights issues of Shares or options over Shares; (e) rights issues of other securities; (f) issues of Shares at less than the current market price; (g) issues of securities which carry rights of conversion into, or exchange or subscription for, Shares at a consideration less than current market price; (h) modification of rights of conversion, exchange or subscription attaching to any other securities issued and which are convertible into Shares such that the consideration per Share is less than the current market price; (i) issues of securities in the context of an offer to Shareholders; and (j) in events or circumstances not otherwise provided in the Terms and Conditions, the use by the Company of a leading independent investment bank of international repute (acting as expert) to determine if the adjustment is fair and reasonable, so as to restore the economic position of the Bondholders after the occurrence of such events or circumstances, to the same position as if the diluting of such events or circumstances had not occurred. <p>The adjustments are determined in accordance with the specified formulas set out in the Terms and Conditions.</p>
Status of the Convertible Bonds	<p>: The Convertible Bonds will constitute direct, unconditional, unsubordinated and (subject to the Terms and Conditions) unsecured obligations of the Company. The Convertible Bonds shall at all times rank <i>pari passu</i> without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, rank at least equally with all other present and future direct, unconditional, unsubordinated and unsecured obligations.</p>

Principal Terms	Description
Status of the Conversion Shares	: The Conversion Shares issued upon conversion of the Convertible Bonds will be fully paid and in all respects rank <i>pari passu</i> with the Shares in issue on the date the Bondholder is registered as such in the Company's register of members (the " Registration Date "), save for any dividends, rights, allotments or other distributions for which the record date precedes the relevant Registration Date of the Convertible Bonds, subject to the Terms and Conditions.
Transfer of Convertible Bonds	: Subject to the Terms and Conditions, a Convertible Bond may be transferred by delivery of the bond certificate issued in respect of that Convertible Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Bond Registrar and the Transfer Agent.
Final Redemption	: Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Convertible Bond at 100% of its principal amount together with unpaid accrued interest thereon on the Maturity Date. The Company shall notify all Bondholders of the forthcoming maturity of the Convertible Bonds at least one month prior to the Maturity Date.
Tax Redemption	: The Company may, at any time, having given not less than 30 nor more than 60 days' irrevocable notice to the Bondholders, redeem all (and not some only) of the Convertible Bonds at 100% of their principal amount together with interest accrued to the date fixed for redemption, for taxation reasons, and in the manner, set out in the Terms and Conditions.
Board Representative of the Bondholders	<p>: The Bondholders shall be entitled to nominate a maximum of two (2) persons to the Board. Bondholder(s) acting in concert (as defined in the Singapore Code on Take-overs and Mergers (the "Code")) who hold more than 25% of the principal amount of the Convertible Bonds (at issuance) shall be entitled to nominate two (2) persons to the Board.</p> <p>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.</p>
Excess Cash Dividend	<p>: If the Company pays any Excess Cash Dividend (as defined herein) in any financial year, it will simultaneously pay to each Bondholder an additional amount of interest equal to the Excess Cash Dividend Amount (as defined herein) multiplied by the number of Shares into which such Convertible Bond is convertible at the Conversion Price then in effect on the relevant record date for the payment of such Excess Cash Dividend provided that any interest which has accrued on the Convertible Bond and paid to a Bondholder shall be deducted from the Excess Cash Dividend Amount payable to such Bondholder.</p> <p>"Excess Cash Dividend" means the SGD equivalent of any cash dividend to holders of Shares together with all other cash dividends in respect of the same financial year previously paid to holders of Shares.</p>

Principal Terms	Description
	<p>"Excess Cash Dividend Amount" means, in respect of any financial year, the SGD equivalent of an amount equal to the total amount of all cash dividends paid per Share in such financial year minus (i) the Per Share Interest Amount for such financial year and (ii) any Excess Cash Dividend Amount in respect of which a payment has been made to the Bondholders previously in such financial year pursuant to the Terms and Conditions.</p> <p>"Per Share Interest Amount" means, in respect of any financial year, an amount equal to (i) the amount of interest that has accrued and will accrue pursuant to the Terms and Conditions on the then outstanding Convertible Bonds in such financial year divided by (ii) the number of Shares into which the then outstanding Convertible Bonds are convertible at the Conversion Price then in effect.</p>
Liquidation	: In the event an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Company, the trustee of for the Bondholders may, if so requested in writing by the Bondholders of not less than 25% in principal amount of the Convertible Bonds then outstanding or if so directed by a special resolution shall (subject to being indemnified and/or secured by the Bondholders to the trustee's satisfaction), give notice to the Company that the Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount plus unpaid accrued interest (subject to and without prejudice to the right of the Bondholders to exercise their Conversion Right).
Clearing and Settlement	: The Convertible Bonds will be cleared through CDP and represented by a global certificate registered in the name of, and deposited with, CDP as authorised depository.
Listing of the Convertible Bonds and the Conversion Shares	<p>: <u>Convertible Bonds</u></p> <p>The Convertible Bonds will not be listed and quoted on the Official List of the SGX-ST or any other stock exchange and will, accordingly, not be publicly traded.</p> <p><u>Conversion Shares</u></p> <p>An application will be made by the Company to the SGX-ST for the dealing in and listing and quotation of the Conversion Shares on the Official List of the SGX-ST, provided that, amongst others, there is an adequate spread of holdings to provide for an orderly market in the trading. An announcement on the outcome of the application will be made in due course.</p>
Governing Law	: The Convertible Bonds will be governed by, and construed in accordance with, the laws of Singapore.

2.2 Size of the Rights Issue

As at the date of this Announcement, the Company has an issued and paid-up share capital of 795,686,142 Shares (the **"Existing Share Capital"**). The Company does not have any treasury Shares.

In addition, there are outstanding options granted under the Sunpower Employee Share Option Scheme 2015 (the "**ESOS Options**"), which may be exercisable into up to 1,191,000 new Shares on or prior to the Record Date.

Based on the Existing Share Capital:

- (a) assuming that, on or prior to the Record Date, no ESOS Options are exercised into Shares, the Company will issue up to S\$99,460,767 in aggregate principal amount of Convertible Bonds under the Rights Issue, which are convertible into up to 397,843,068 Conversion Shares based on an indicative Conversion Price of S\$0.25 ("**Minimum Rights Issue Scenario**"); and
- (b) assuming that, on or prior to the Record Date, 1,191,000 Shares are issued pursuant to the exercise of ESOS Options, the Company will issue up to S\$99,609,642 in aggregate principal amount of Convertible Bonds under the Rights Issue, which are convertible into up to 398,438,568 Conversion Shares based on an indicative Conversion Price of S\$0.25 ("**Maximum Rights Issue Scenario**").

2.3 Non-Underwritten Rights Issue

The Rights Issue will not be underwritten. The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertakings (as defined herein) provided by the Undertaking Parties (as defined herein) and the savings in cost enjoyed by the Company in respect of underwriting fees.

3. RATIONALE FOR THE RIGHTS ISSUE

- 3.1 The Company has existing convertible bonds ("**Existing Bonds**") in an aggregate principal amount of approximately US\$130 million, which will mature on the later of 3 April 2025 and if so elected by the Existing Bondholders (as defined herein) (at their sole discretion) by written notice to the Company delivered not less than ten (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 (the "**Existing Bonds Maturity Date**"). It is expected that the balance due and payable to the Existing Bondholders on the Existing Bonds Maturity Date will be approximately US\$154.85 million. As at the date of this Announcement, the Company is not aware of any intention of the Existing Bondholders to convert their Existing Bonds into Shares.
- 3.2 In order to fully repay the aforementioned liabilities in connection with the Existing Bonds, the Company will be undertaking (a) a partial repayment of the Existing Bonds using the current resources of the Group, 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. An appropriate announcement will be made in due course when the Company finalises the Partial Redemption plan.
- 3.3 In light of the above, having considered alternative fundraising methods and the benefits and costs of each, and the funding certainty of the Rights Issue (in light of the Irrevocable Undertakings provided by the Undertaking Parties) in the current volatile market conditions, the Directors believe that the Rights Issue is in the interest of the Company. The Rights Issue will also provide Entitled Shareholders who are confident of the future prospects of the Company with an opportunity to further participate in the equity of the Company through the conversion of the Convertible Bonds into Conversion Shares at a reasonable discount (while benefiting from the coupon payments from the Convertible Bonds in the meantime) and will allow the Group to be less reliant on external sources of funding. The financial position of the Group could also be further strengthened in the event the Convertible Bonds were converted into equity, thus extinguishing its redemption obligation.

4. USE OF PROCEEDS

- 4.1 Based on the total number of issued Shares as at the date of this Announcement and on the basis of the Irrevocable Undertakings, assuming that, on or prior to the Record Date, 1,191,000 Shares are issued pursuant to the exercise of the ESOS Options (i.e. the Maximum Rights Issue Scenario), approximately S\$99.61 million in aggregate principal amount of Convertible Bonds are expected to be issued pursuant to the Rights Issue. The net proceeds from the issue of the Convertible Bonds (the "**Net Proceeds**") will be approximately S\$98.41 million, after deducting professional fees and related expenses incurred in connection with the Rights Issue of approximately S\$1.20 million.
- 4.2 Assuming that, no ESOS Options are exercised into Shares on or prior to the Record Date (i.e. the Minimum Rights Issue Scenario), approximately S\$99.46 million in aggregate principal amount of Convertible Bonds are expected to be issued pursuant to the Rights Issue. The Net Proceeds will be approximately S\$98.26 million, after deducting professional fees and related expenses incurred in connection with the Rights Issue of approximately S\$1.20 million.
- 4.3 As disclosed in paragraphs 3.1 and 3.2 above, the Company intends to use the Net Proceeds for the repayment of the Existing Bonds issued by the Company to Glory Sky Vision Limited, Blue Starry Energy Limited, Green Hawaii Air Limited and Alpha Keen Limited (collectively, the "**Existing Bondholders**") on or before the Existing Bonds Maturity Date.
- 4.4 Subject to paragraphs 4.1, 4.2 and 4.3 above, on the closing date of the Rights Issue ("**Closing Date**"):
- (a) if the total remaining redemption amount under the Existing Bonds after the Partial Redemption is greater than or equal to the Net Proceeds, the entire amount of the Net Proceeds shall be paid to the designated bank accounts of the Existing Bondholders; and
 - (b) if the total remaining redemption amount under the Existing Bonds after the Partial Redemption is less than the Net Proceeds, then (i) an amount of the Net Proceeds equal to the total remaining redemption amount under the Existing Bonds after the Partial Redemption shall be paid to the designated bank accounts of the Existing Bondholders, and (ii) the remaining amount of the Net Proceeds shall be retained by the Company for working capital purposes.
- 4.5 For the purposes of paragraph 4.4(a) or 4.4(b)(i) above, the Company shall transfer the amount of Net Proceeds equivalent to the total remaining redemption amount under the Existing Bonds after the Partial Redemption to the designated bank accounts of the Existing Bondholders on a date to be determined by the Company, and such date is required to be on or prior to the Existing Bonds Maturity Date.
- 4.6 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the offer information statement ("**OIS**"), and provide a status report on the use of the Net Proceeds in the Company's annual report until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for working capital, the Company will also provide a breakdown with specific details on the use of Net Proceeds for working capital in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. IRREVOCABLE UNDERTAKINGS

- 5.1 As at the date of this Announcement, the number of Shares held and the proportion held in the issued share capital of the Company by each of the following Shareholders is set out against his/its name in the table below:

Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Guo Hong Xin	-	-	153,638,554 ⁽²⁾	19.31
Ma Ming	-	-	137,509,737 ⁽³⁾	17.28
Allgreat Pacific Limited	82,209,983	10.33	71,428,571 ⁽⁴⁾	8.98
Claremont Consultancy Limited	66,081,166	8.30	71,428,571 ⁽⁵⁾	8.98
Sunpower Business Group Pte. Ltd.	71,428,571 ⁽⁶⁾	8.98	-	-
Lin Yucheng	100,000,000	12.57	-	-
Joyfield Group Limited	66,154,120	8.31	-	-
Pan Shuhong	19,393,198	2.44	66,154,120 ⁽⁷⁾	8.31

Notes:

- (1) Based on the issued share capital of the Company of 795,686,142 Shares as at the date of this Announcement.
- (2) Guo Hong Xin is (i) deemed to be interested in the 82,209,983 Shares held by Allgreat Pacific Limited which is an investment holding company wholly owned by him, and (ii) deemed to be interested in the 71,428,571 Shares held by Sunpower Business Group Pte. Ltd., which is an investment holding company wholly owned by Allgreat Pacific Limited, which is in turn wholly owned by him.
- (3) Ma Ming is (i) deemed to be interested in the 66,081,166 Shares held by Claremont Consultancy Limited which is an investment holding company wholly owned by him, and (ii) deemed to be interested in the 71,428,571 Shares held by Tournan Trading Pte. Ltd., which is an investment holding company wholly owned by Claremont Consultancy Limited, which is in turn wholly owned by him.
- (4) Allgreat Pacific Limited is deemed interested in 71,428,571 Shares held by Sunpower Business Group Pte. Ltd., its wholly owned subsidiary.
- (5) Claremont Consultancy Limited is deemed interested in 71,428,571 Shares held by Tournan Trading Pte. Ltd., its wholly owned subsidiary.
- (6) Sunpower Business Group Pte. Ltd. has beneficial interest in 71,428,571 Shares. However, as at the date of this Announcement, only 57,428,571 Shares are recorded in its nominee account. The remaining unaccounted 14,000,000 Shares were transferred out of its nominee account to the Designated Account (as defined herein) pursuant to a loan agreement entered between Sunpower Business Group Pte. Ltd. and Tournan Trading Pte. Ltd. (as borrowers) and America 2030 Capital Limited (the "**Lender**") on or about 17 October 2018. Under the loan agreement, Sunpower Business Group Pte. Ltd. and Tournan Trading Pte. Ltd. had each provided the Lender 14,000,000 Shares as collateral (the "**Collateral Shares**") to a depository broker designated by the Lender (the "**Designated Account**"). Please refer to the Company's announcements dated 8 November 2018, 20 November 2018, 4 December 2018 and 17 April 2019 for further details on the Collateral Shares. As at the date of this Announcement, the proceedings to recover the Collateral Shares are still ongoing.
- Shareholders' pro rata entitlements to subscribe the Convertible Bonds will be determined based on such number of Shares entered against their name in the Depository Register (as defined under the Securities and Futures Act 2001 of Singapore) as at the Record Date. In the event that the Collateral Shares are not recorded against their name in the Depository Register as at Record Date, each of Sunpower Business Group Pte. Ltd. and Tournan Trading Pte. Ltd. would accordingly not be entitled to any pro rata entitlements to subscribe for the Convertible Bonds in respect of the Collateral Shares.
- (7) Pan Shuhong is deemed interested in 66,154,120 Shares held by Joyfield Group Limited, an entity wholly owned by her.

As at the date of this Announcement, none of the Shareholders above own any instruments convertible into, rights to subscribe for, or options in respect of, the Shares.

5.2 To demonstrate their support for the Rights Issue and their commitment to the Company, Guo Hong Xin, Allgreat Pacific Limited, Sunpower Business Group Pte. Ltd. and Chen Ping (陈萍) (collectively, the "**Undertaking Guo Entities**"), Ma Ming and Claremont Consultancy Limited (collectively, the "**Undertaking Ma Entities**") and Lin Yucheng, Joyfield Group Limited, Pan Shuhong and BLP Capital (as defined herein) (collectively, the "**Undertaking Lin and Pan Entities**", and together with the Undertaking Guo Entities and Undertaking Ma Entities, the "**Undertaking Parties**") have executed deeds of irrevocable undertaking dated the same day hereof ("**Irrevocable Undertakings**", and each an "**Irrevocable Undertaking**") in favour of the Company, pursuant to which, each of the Undertaking Parties (as may be applicable) has irrevocably undertaken to the Company, amongst others, that:

- (a) as at the Record Date, he/it will own, directly and/or indirectly:
 - (i) in the case of Undertaking Guo Entities and Undertaking Ma Entities, no less than the number of Shares (less the number of Collateral Shares for each of them); and
 - (ii) in the case of Undertaking Lin and Pan Entities, no less than the number of Shares,

set out against his/its name in the table in paragraph 5.1 above (collectively, the "**Undertaken Shares**");

- (b) he/it shall not, on or before the Record Date, sell, transfer or otherwise dispose of, any of the Undertaken Shares held by him/it or any interest therein;
- (c) he/it will, by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, the following amounts of Convertible Bonds to be provisionally allotted to the respective Undertaking Parties:
 - (i) in the case of Undertaking Guo Entities, 10,276,247 and 7,178,571 ¹ Convertible Bonds provisionally allotted to Allgreat Pacific Limited and Sunpower Business Group Pte. Ltd. respectively ("**Guo Entities Undertaken Convertible Bonds**"), amounting to a maximum aggregate value of which is S\$17,454,818;
 - (ii) in the case of the Undertaking Ma Entities, 7,000,000 Convertible Bonds provisionally allotted to Claremont Consultancy Limited ("**Ma Entities Undertaken Convertible Bonds**"), amounting to a maximum aggregate value of which is S\$7,000,000, and further for the avoidance of doubt, the Undertaking Ma Entities shall not be precluded from subscribing additional Convertible Bonds provisionally allotted to them under the Rights Issue in excess of the Ma Entities Undertaken Convertible Bonds; and
 - (iii) in the case of the Undertaking Lin and Pan Entities, 12,500,000, 8,269,265 and 2,424,149 Convertible Bonds provisionally allotted to Lin Yucheng, Joyfield Group Limited and Pan Shuhong respectively ("**Lin and Pan Entities Undertaken Convertible Bonds**"); and
- (d) further, in the case of the Undertaking Lin and Pan Entities, he/it will, subscribe and pay for, on a joint and several basis, at the Issue Price, all the Convertible Bonds which are not taken up by the other Shareholders who are eligible to participate in the Rights Issue or their renounees by way of acceptances and/or excess applications (subject to

¹ This excludes the pro rata entitlements to subscribe for the Convertible Bonds in respect of the 14,000,000 Collateral Shares that Sunpower Business Group Pte. Ltd. has a beneficial interest in.

availability) of an aggregate value of up to S\$51,961,410 based on the Issue Price and the Maximum Rights Issue Scenario for a maximum of up to 51,961,410 Convertible Bonds to be subscribed for by way of excess application ("**Lin and Pan Entities Undertaken Excess Convertible Bonds**").

Therefore, the maximum aggregate value of Lin and Pan Entities Undertaken Convertible Bonds and the Lin and Pan Entities Undertaken Excess Convertible Bonds pursuant to the Irrevocable Undertaking given by the Undertaking Lin and Pan Entities is up to S\$75,154,824.

- 5.3 On the basis of the Irrevocable Undertakings, the Rights Issue will be subscribed for in full (including in the event that all ESOS Options are exercised into Shares on or prior to the Record Date).
- 5.4 The Irrevocable Undertakings are subject to:
- (a) the execution of the trust deed constituting the Convertible Bonds;
 - (b) the approval in-principle of the SGX-ST for the listing of and quotation for the Conversion Shares on the Official List of the SGX-ST and not having been withdrawn or revoked on or prior to the completion of the Rights Issue;
 - (c) the approval of the Shareholders being obtained at the SGM to be convened, for the Rights Issue, the waiver by Shareholders (excluding the BLP Concert Party Group (as defined herein)) of their rights to receive a mandatory general offer from the BLP Concert Party Group and the potential transfer of controlling interest to BLP Capital pursuant to the conversion of the Convertible Bonds and the Irrevocable Undertaking given by the Undertaking Lin and Pan Entities;
 - (d) the lodgement of the OIS, together with all other accompanying documents (if applicable) in connection with the Rights Issue with the Monetary Authority of Singapore ("**MAS**"); and
 - (e) there being no departure of key management personnel of the Group (as identified in the Company's last annual report), except with the consent of the Undertaking Parties, which shall not be required in the event of voluntary resignation, retirement pursuant to the relevant laws and regulations or death of key management personnel of the Group.
- 5.5 Each Undertaking Party will procure the delivery to the Company, SAC Capital Private Limited and the SGX-ST of a confirmation from a bank that he/it has sufficient financial resources available to satisfy payment for his/its respective undertaken Convertible Bonds as described in paragraphs 5.2(c) and 5.2(d) above, which in addition, shall be directed in the following manner:
- (a) the Undertaking Guo Entities shall each direct that Guo Entities Undertaken Convertible Bonds subscribed for by him/it be directed to Chen Ping (陈萍), the spouse of Guo Hong Xin; and
 - (b) the Undertaking Lin and Pan Entities shall each direct that all Lin and Pan Entities Undertaken Excess Convertible Bonds subscribed for by him/it by way of excess application be directed to BLP Capital (Singapore) Pte. Ltd. (Company Registration No. 200503755E), a company established in Singapore with its registered address at 41 Science Park Road, #04-10, The Gemini, Singapore 117610 ("**BLP Capital**"). Each Undertaking Lin and Pan Entity confirms, represents and undertakes to the Company that BLP Capital is a wholly owned entity of BLP Capital Limited, which in turn is owned by Lin Yucheng and Pan Shuhong in the shareholding proportion of 60.0% and 40.0%

respectively as of the date of its Irrevocable Undertaking and on each day thereafter, down to the Closing Date.

- 5.6 No commission or fee will be paid to the Undertaking Parties in connection with the provision or execution of the Irrevocable Undertakings.

6. WHITEWASH WAIVER

- 6.1 The Company intends to obtain the approval of the Shareholders (other than the Undertaking Lin and Pan Entities and any other parties acting or deemed to be acting in concert with them in respect of the Shares) (the "**Independent Shareholders**") for the waiver of their right to receive a mandatory offer from the Undertaking Lin and Pan Entities or parties acting in concert with them (collectively, the "**BLP Concert Party Group**", and the waiver to be sought from Shareholders, the "**Whitewash Resolution**") pursuant to Rule 14 of the Code.
- 6.2 Pursuant to the Irrevocable Undertakings, the Undertaking Parties will subscribe for and pay for his/its respective undertaken Convertible Bonds in accordance with paragraphs 5.2(c), 5.2(d) and 5.5 above. Depending on the Shareholders' eventual subscription for the Convertible Bonds, the shareholding interest of the Undertaking Parties on an as-converted basis, may change in the manner as set out below:

	Before Rights Issue		----- After Rights Issue ⁽¹⁾ -----			
	Number of Shares Held	% ⁽²⁾	Minimum Rights Issue Scenario Number of Shares Held	% ⁽³⁾	Maximum Rights Issue Scenario Number of Shares Held	% ⁽⁴⁾
<u>Undertaking Guo Entities</u>						
Allgreat Pacific Limited	82,209,983	10.33	82,209,983	6.89	82,209,983	6.88
Sunpower Business Group Pte. Ltd.	71,428,571	8.98	71,428,571	5.98	71,428,571	5.98
Chen Ping (陈萍)	-	-	69,819,272	5.85	69,819,272	5.84
Aggregate	153,638,554	19.31	223,457,826	18.72	223,457,826	18.69
<u>Undertaking Ma Entities</u>						
Claremont Consultancy Limited	66,081,166	8.30	94,081,166	7.88	94,081,166	7.87
Aggregate	66,081,166	8.30	94,081,166	7.88	94,081,166	7.87
<u>BLP Concert Party Group</u>						
Lin Yucheng	100,000,000	12.57	150,000,000	12.57	150,000,000	12.55
Joyfield Group Limited	66,154,120	8.31	99,231,180	8.31	99,231,180	8.30
Pan Shuhong	19,393,198	2.44	29,089,794	2.44	29,089,794	2.43
BLP Capital	-	-	207,250,140	17.36	207,845,640	17.39
Aggregate	185,547,318	23.32	485,571,114	40.68	486,166,614	40.67
<u>Other Shareholders</u>						
Shareholders (other than the	390,419,104	49.07	390,419,104	32.71	391,610,104	32.76

	Before Rights Issue		After Rights Issue ⁽¹⁾			
			Minimum Rights Issue Scenario		Maximum Rights Issue Scenario	
	Number of Shares Held	% ⁽²⁾	Number of Shares Held	% ⁽³⁾	Number of Shares Held	% ⁽⁴⁾
Undertaking Parties) ⁽⁵⁾						
Total	795,686,142	100.00	1,193,529,210	100.00	1,195,315,710	100.00

Notes:

- (1) Assumes no other Shareholder (other than the Undertaking Parties) subscribes for the Convertible Bonds and the Undertaking Parties subscribe for such number of undertaken Convertible Bonds in accordance with their respective Irrevocable Undertakings as set out in paragraphs 5.2(c), 5.2(d) and 5.5 above. The number of Shares held and percentage of issued share capital are computed on basis the Convertible Bonds have been fully converted into Shares.
- (2) Based on the issued share capital of the Company of 795,686,142 Shares as at the date of this Announcement.
- (3) Based on the Enlarged Issued Share Capital (as defined herein) of the Company of 1,193,529,210 Shares, after the conversion of all Convertible Bonds into 397,843,068 Shares and assuming that the 1,191,000 outstanding ESOS Options are not exercised on or prior to the Record Date.
- (4) Based on the Enlarged Issued Share Capital of the Company of 1,195,315,710 Shares, after the conversion of all Convertible Bonds into 398,438,568 Shares and assuming that the 1,191,000 outstanding ESOS Options are exercised on or prior to the Record Date.
- (5) This includes the 71,428,571 Shares held by Tournan Trading Pte. Ltd., which is an investment holding company wholly owned by Claremont Consultancy Limited, which is in turn wholly owned by Ma Ming. Tournan Trading Pte. Ltd. is not an Undertaking Ma Entity.

- 6.3 As shown above, the fulfilment by the Undertaking Lin and Pan Entities of their obligations under its Irrevocable Undertaking may result in BLP Capital acquiring Convertible Bonds resulting in the BLP Concert Party Group increasing their shareholding to 30% or more of the enlarged issued and paid-up share capital of the Company immediately upon completion of the Rights Issue on an as-converted basis (the "**Enlarged Issued Share Capital**"). In such event, the BLP Concert Party Group would incur an obligation to make a mandatory general offer for Shares not already owned by the BLP Concert Party Group under Rule 14.1 of the Code ("**MGO**").
- 6.4 Accordingly, an application was made to the Securities Industries Council (the "**SIC**") for a waiver of the obligation by the BLP Concert Party Group to make a MGO in accordance with Rule 14.1 of the Code in the event that their aggregate voting rights in the Company increases to 30% or more of the Enlarged Issued Share Capital, and subsequently by more than 1.0% in any six (6)-month period, arising from the allotment and issuance of Conversion Shares to the BLP Concert Party Group following the exercise of the conversion right in accordance the Terms and Conditions of the Convertible Bonds subscribed pursuant to the Irrevocable Undertaking given by the Undertaking Lin and Pan Entities.
- 6.5 As the Company has yet to obtain the SIC's response to its application in paragraph 6.4 above, the Rights Issue shall therefore be subject to, amongst others, the following:
 - (a) the SIC having granted the waiver (the "**Whitewash Waiver**") for the BLP Concert Party Group to make a MGO in accordance with Rule 14 of the Code in the event the BLP Concert Party Group increases its aggregate shareholding in the Company to 30% or more based on the Enlarged Issued Share Capital as a result of the allotment and issuance of Conversion Shares to the BLP Concert Party Group pursuant to the Irrevocable Undertaking given by the Undertaking Lin and Pan Entities;

- (b) the conditions of the Whitewash Waiver, unless otherwise waived, having been satisfied by the Company; and
 - (c) the Whitewash Waiver not having been withdrawn or revoked up to the Closing Date.
- 6.6 Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to advise such Directors who are considered independent for the purposes of making the recommendation to Independent Shareholders in relation to the Whitewash Resolution. Further details of the Whitewash Waiver and the advice of the independent financial adviser will be set out in the Circular.
- 6.7 Save for the application made to the SIC as described at paragraph 6.4 above, the Company will **not** be making an application to the SIC to seek a waiver of the obligation of any other Shareholder to make a MGO under Rule 14 of the Code as a result of the conversion of the Convertible Bonds into Conversion Shares. Shareholders who are in doubt as to their obligations, if any, to make a MGO under the Code as a result of any conversion of Convertible Bonds into Conversion Shares should consult the SIC and/or their professional advisers.

7. ELIGIBILITY TO PARTICIPATE

7.1 Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Accounts**") with CDP as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) market days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents. Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP.

Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 2 Shenton Way, #02-02, SGX Centre 1, Singapore 068804, at least three (3) market days before the Record Date.

7.2 Entitled Scripholders

Entitled Scripholders are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to In.Corp Corporate Services Pte. Ltd., the share registrar of the Company (the "**Share Registrar**"), registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) market days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents. Except in the limited circumstances described in the provisions of the global certificate representing the Convertible Bonds registered in the name of, and deposited with, CDP, owners of interests in the Convertible Bonds represented by such global certificate will not be entitled to receive definitive security certificates in respect of their individual holdings of Convertible Bonds. Accordingly, Entitled Scripholders who wish to participate in the Rights Issue must open Securities Accounts if they have not already done so and deposit their share certificates with CDP prior to the Record Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Convertible Bonds. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th market day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine. Entitled Scripholders should note that all correspondences and notices will be sent to their last registered Singapore mailing addresses with the Share Registrar. Entitled Scripholders are reminded that any request to the Share Registrar to update their records or effect any change in address must reach the Share Registrar, In.Corp Corporate Services Pte. Ltd., at 30 Cecil

Street #19-08 Prudential Tower Singapore 049712, at least three (3) market days before the Record Date.

7.3 **Entitled Shareholders**

Entitled Depositors and Entitled Scripholders (collectively, "**Entitled Shareholders**") will be eligible to participate in the Rights Issue and to receive the OIS together with the application and acceptance form for provisional allotments of Convertible Bonds and excess Convertible Bonds (the "**ARE**") or the provisional allotment letter (the "**PAL**"), as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the OIS, the product highlights sheet and the ARE may obtain them from CDP or the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the OIS, the product highlights sheet and the PAL for the Rights Issue may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted entitlements to the Convertible Bonds under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. They are at liberty to accept (in full or in part), decline, renounce (in the case of their provisional allotment of Convertible Bonds) or, in the case of Entitled Depositors only, trade on the SGX-ST under the book-entry (scripless) settlement system (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Convertible Bonds, and are eligible to apply for additional Convertible Bonds in excess of their provisional allotments under the Rights Issue. All dealings in and transactions (including transfers) of the Convertible Bonds effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited" and the terms and conditions contained in the CDP Application Form, as the same may be amended from time to time, copies of which are available from CDP. The Convertible Bonds may also be traded over-the-counter on the Debt Securities Clearing and Settlement System.

It should be noted that the Convertible Bonds will not be listed and quoted on the SGX-ST or any other stock exchange. However, if a Bondholder were to exercise his right, subject to the Terms and Conditions, to convert his Convertible Bonds into Conversion Shares, such Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

All fractional entitlements to the Convertible Bonds will be disregarded in arriving at the provisional allotments of Entitled Shareholders and will, together with provisional allotments which are not taken up for any reason, be used to satisfy applications for excess Convertible Bonds or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. In the allotment of excess Convertible Bonds, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors of the Company, will rank last in priority for the rounding of odd lots and the allotment of excess Convertible Bonds.

The procedures for, and the terms and conditions applicable to, acceptance, excess application and payment will be set out in the OIS and the accompanying documents to be despatched by the Company to Entitled Shareholders in due course.

7.4 **CPF Investment Scheme**

As the Shares are not registered under the Central Provident Fund Investment Scheme, monies in their Central Provident Fund account cannot be used for the payment of the Issue Price to subscribe for their provisional allotments of nil-paid Convertible Bonds and (if applicable) to apply for excess Convertible Bonds.

7.5 **Supplementary Retirement Scheme**

Entitled Shareholders who have previously purchased Shares using their monies standing to the credit of the respective Supplementary Retirement Scheme ("**SRS**") accounts ("**SRS Funds**") ("**SRS Members**"), subject to applicable SRS rules and regulations, may use their SRS Funds for the payment of the Issue Price to subscribe for their provisional allotments of nil-paid Convertible Bonds and (if applicable) to apply for excess Convertible Bonds. SRS Members must instruct their respective approved bank with whom they hold their SRS accounts ("**SRS Approved Banks**"), to accept the provisional allotments of the Convertible Bonds and (if applicable) apply for excess Convertible Bonds on their behalf in accordance with the terms and conditions in the OIS.

In the case of insufficient SRS Funds, subject to the SRS contribution cap, SRS Members may deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their provisional allotments of the Convertible Bonds and (if applicable) apply for excess Convertible Bonds. SRS Members are advised to provide their respective SRS Approved Banks with the appropriate instructions no later than the deadlines set by their respective SRS Approved Banks in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date.

SRS Funds may not, however, be used for the purchase of the provisional allotments of the Convertible Bonds and (if applicable) application for excess Convertible Bonds directly from the market. Any acceptance of provisional allotments of the Convertible Bonds and (if applicable) application for excess Convertible Bonds directly to CDP, the Share Registrar, the Company, or by way of electronic applications made through an ATM of a participating bank or an accepted electronic service will be rejected.

7.6 **Foreign Shareholders**

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the provisional allotments of Convertible Bonds and the Convertible Bonds will not be offered to Shareholders with registered addresses outside Singapore as at the Record Date and who have not provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents at least three (3) market days prior to the Record Date ("**Foreign Shareholders**"). No provisional allotment of Convertible Bonds or Convertible Bonds will be offered to Foreign Shareholders and no purported acceptance or application for Convertible Bonds by Foreign Shareholders will be valid. The Company may, in its sole discretion, permit participation in the Rights Issue by certain Foreign Shareholders in certain jurisdictions, subject in all cases to compliance with applicable laws in the relevant jurisdictions.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the entitlements to Convertible Bonds which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Convertible Bonds commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales after taking into account expenses to be incurred in relation thereto. The net proceeds arising from such sales will be dealt with in the manner described in the OIS.

Where such provisional allotments of Convertible Bonds are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such person shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their

respective officers in respect of such sales or the proceeds thereof, the provisional allotments or the Convertible Bonds represented by such provisional allotments.

If such provisional allotments of Convertible Bonds cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading of the provisional allotments of Convertible Bonds, the Convertible Bonds represented by such provisional allotments will be issued to satisfy applications for excess Convertible Bonds (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such person shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith.

8. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, barring any unforeseen circumstances and after taking into consideration the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

9. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

The provisional allotments of Convertible Bonds as well as the Convertible Bonds and the Conversion Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

10. PRIOR EQUITY FUNDRAISING

The Company has not undertaken any equity fund raising exercise in the last 12 months. No securities or equity interests of the Company have been issued for cash or securities within the 12 months immediately preceding the date of this Announcement.

11. TAKE-OVER IMPLICATIONS

11.1 The Code regulates the acquisition of voting shares of, among others, corporations with a primary listing on the SGX-ST, including the Company. Under Rule 14.1 of the Code, except with the consent of the SIC, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights,

such person must extend a take-over offer immediately to the Shareholders for the remaining shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

11.2 In general, the acquisition of instruments convertible into new shares which carry voting rights does not give rise to an obligation to make a MGO under the Code. However, the exercise of any conversion rights will be considered to be an acquisition of voting rights for the purpose of the Code (including Rule 14.1 of the Code).

- 11.3 Depending on the level of subscription for the Rights Issue, the Company may, if necessary, scale down the subscription and/or excess applications for the Convertible Bonds by any Shareholder (if such Shareholder chooses to subscribe for such Shareholder's pro rata Convertible Bonds entitlement and/or apply for excess Convertible Bonds) to:
- (a) avoid placing such Shareholder and/or parties acting in concert with it (as defined in the Code) in the position of incurring an obligation to make a MGO under the Code as a result of other Entitled Shareholders not taking up, whether partly or in full, their provisional allotments of the Convertible Bonds; and
 - (b) to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual of the SGX-ST, unless prior approval of the Shareholders is obtained in a general meeting.

12. APPROVALS

- 12.1 The Rights Issue is subject to, amongst others, the following:
- (a) the execution of the trust deed constituting the Convertible Bonds;
 - (b) the conditions set out in paragraph 6.5 above in respect of the Whitewash Waiver;
 - (c) the approval of the Shareholders for the Rights Issue and the allotment and issue of the Conversion Shares ("**Rights Issue Resolution**") at the SGM;
 - (d) the approval of the Independent Shareholders for the Whitewash Resolution at the SGM;
 - (e) the approval of the Shareholders for the transfer of controlling interest to BLP Capital pursuant to Rule 803 of the Listing Manual of the SGX-ST ("**Transfer Resolution**") at the SGM;
 - (f) approval in-principle of the SGX-ST for the dealing in and listing and quotation of the Conversion Shares on the Official List of the SGX-ST not having been withdrawn or revoked as at the Closing Date;
 - (g) the lodgement of the OIS together with all other accompanying documents (if applicable) with the MAS; and
 - (h) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue, being obtained and not having been withdrawn or revoked before the completion of the Rights Issue.
- 12.2 The Independent Shareholders should note that the Whitewash Resolution and the Transfer Resolution are conditional on the passing of the Rights Issue Resolution. For the avoidance of doubt, the Rights Issue Resolution is not conditional on the passing of the Whitewash Resolution and the Transfer Resolution.
- 12.3 The Company will be submitting an application to the SGX-ST for the listing of and quotation for the Conversion Shares on the Official List of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the approval in-principle of the SGX-ST for the dealing in and listing and quotation of the Conversion Shares on the Official List of the SGX-ST.

13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Li Lei and Wang Guannan, being Non-Executive and Non-Independent Directors appointed by the Existing Bondholders, are deemed to have an interest in the Rights Issue for reasons described in paragraph 4 above. 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 Rights Issue and will abstain from participating in any recommendation to be made by the Board with respect to the Rights Issue.

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 Rights Issue (other than through their respective shareholdings in the Company, if any).

14. DIRECTORS' RESPONSIBILITY STATEMENT AND INTENTION TO SUBSCRIBE FOR PRO RATA ENTITLEMENTS

14.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Convertible Bonds, the Conversion Shares and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

14.2 To demonstrate their commitment to and confidence in the prospects of the Group and to show their support for the Rights Issue, Directors who have interests in Shares (namely, Guo Hong Xin and Ma Ming) have each provided an Irrevocable Undertaking as described in paragraph 5.2 above.

15. CIRCULAR AND OFFER INFORMATION STATEMENT

The Circular containing, amongst others, the notice of the SGM, the terms and conditions of the Rights Issue and the Whitewash Waiver will be despatched to Shareholders in due course. Thereafter, the OIS will be despatched by the Company, together with copies of the application form for the Convertible Bonds and excess Convertible Bonds or the provisional allotment letter, as the case may be, to the Entitled Shareholders following the SGM in due course if the Rights Issue and the Whitewash Waiver are approved at the SGM.

16. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights Issue as and when appropriate.

17. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this Announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank

managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

MA MING

Executive Director and Chief Executive Officer

9 December 2024