



SUNPOWER GROUP LTD.

UPDATE ON THE RESPONSE TO SGX'S QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

The Board of Directors (the "**Board**") of Sunpower Group Ltd. (the "**Company**") refers to the announcements dated 23 November 2012 and 17 January 2013 in response to SGX's queries on the Unaudited Financial Statements for the third quarter ended 30 September 2012.

The Board wishes to provide an update on the progress in relation to query no. 2 of SGX's query. The query is reproduced below for ease of reference:

Query no. 2

We note that certain "finished goods were designated to that contract but have not been delivered due to the customer's inability to pay the remaining contract sum". We further note that the Group will "continue to engage in ongoing discussion with the customer to settle the dispute in an amicable way".

Update

The Management had a meeting with the customer and the following key terms have been reached:-

1. The Company agreed to provide a discount of approximately 7.3% of the total outstanding amount ("**TOA**") to the customer.
2. The customer agreed to pay approximately 55.6% of the net outstanding amount ("**NOA**") (the TOA deducting the 7.3% mentioned in paragraph 1 above) to the Company. The Company had received the aforesaid 55.6% of the NOA, and is due to deliver part of the ordered equipments to the customer.
3. As for the balance of the NOA, the customer agreed to pay the Company in March 2014. The Company has not received the payment of the balance of the NOA from the customer as of date of this announcement.
4. The Company will only deliver the rest of the equipment to the customer after the Company has received payment for the balance of the NOA.

The Board will provide the updates via SGXNET to keep the market informed of the progress or status of the matter.

By order of the Board

Ma Ming
Executive Director

4 March 2013