

SUNPOWER GROUP LTD.

Unaudited Financial Statements for the First Quarter Ended 31 March 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015

| (RMB'000) | First quarter ended | | % change |
|--|---------------------|---------------|----------|
| | 31 March 2015 | 31 March 2014 | |
| Revenue | 220,043 | 257,963 | (14.7) |
| Cost of sales | (162,320) | (196,876) | (17.6) |
| Gross profit | 57,723 | 61,087 | (5.5) |
| Other operating income | 2,335 | 2,918 | (20.0) |
| Selling and distribution expenses | (8,301) | (8,053) | 3.1 |
| Administrative expenses | (33,431) | (30,809) | 8.5 |
| Other operating expenses | (104) | (4,629) | (97.8) |
| Finance cost | (6,051) | (7,208) | (16.1) |
| Profit before income tax | 12,171 | 13,306 | (8.5) |
| Income tax expense | (2,557) | (2,707) | (5.5) |
| Profit for the period | 9,614 | 10,599 | (9.3) |
| Other comprehensive income | | | |
| <i>Item that may be reclassified subsequently to profit and loss</i> | | | |
| Exchange difference on translation of foreign operation | 8 | - | n.m. |
| Total comprehensive income for the period | 9,622 | 10,599 | (9.2) |
| Profit for the period attributable to: | | | |
| Equity holders of the Company | 10,397 | 11,439 | (9.1) |
| Non-controlling interest | (783) | (840) | (6.8) |
| Profit for the period | 9,614 | 10,599 | (9.3) |
| Total comprehensive income for the period attributable to: | | | |
| Equity holders of the Company | 10,405 | 11,439 | (9.0) |
| Non-controlling interest | (783) | (840) | (6.8) |
| Profit for the period | 9,622 | 10,599 | (9.2) |

n.m. – not meaningful

1(a)(ii) Other information:**Note 1:**

| (RMB'000) | First quarter ended | | % change |
|---|----------------------|----------------------|----------|
| | <u>31 March 2015</u> | <u>31 March 2014</u> | |
| Depreciation expense | 6,776 | 6,037 | 12.2 |
| Interest expense | 6,051 | 7,208 | (16.1) |
| Amortisation of land use rights | 353 | 353 | - |
| Amortisation of intangible assets | 607 | 680 | (10.7) |
| (Reversal of) Impairment allowance on inventories | (153) | 626 | (124.4) |
| (Reversal of) Impairment allowance on trade and non-trade receivables | (1,116) | 4,529 | (124.6) |
| Loss (Gain) on disposal of property, plant and equipment | 78 | (3) | n.m. |

Other operating income comprises:

| (RMB'000) | First quarter ended | | % change |
|--|----------------------|----------------------|----------|
| | <u>31 March 2015</u> | <u>31 March 2014</u> | |
| Government grant | 108 | 2,255 | (95.2) |
| Interest income | 963 | 344 | 179.9 |
| Reversal of allowance on trade and non-trade receivables | 1,116 | - | n.m. |
| Others | 148 | 319 | (53.6) |
| Total | <u>2,335</u> | <u>2,918</u> | (20.0) |

n.m. – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

UNAUDITED STATEMENTS OF FINANCIAL POSITION

| (RMB'000) | Group | | Company | |
|---|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | (Unaudited) 31 March 2015 | (Audited) 31 December 2014 | (Unaudited) 31 March 2015 | (Audited) 31 December 2014 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 136,745 | 110,486 | 4,878 | 5,262 |
| Pledged bank deposits | 68,790 | 72,616 | - | - |
| Trade receivables | 959,136 | 1,035,494 | - | - |
| Other receivables, deposits and prepayments | 89,722 | 64,871 | 8,788 | 8,989 |
| Inventories | 299,565 | 265,325 | - | - |
| Land use rights | 1,411 | 1,411 | - | - |
| Total current assets | <u>1,555,369</u> | <u>1,550,203</u> | <u>13,666</u> | <u>14,251</u> |
| Non-current assets: | | | | |
| Land use rights | 47,246 | 47,599 | - | - |
| Property, plant and equipment | 280,589 | 282,672 | - | - |
| Other receivables, deposits and prepayments | - | - | 40,000 | 40,000 |
| Investment in subsidiaries | - | - | 112,084 | 112,084 |
| Intangible assets | 8,093 | 8,700 | - | - |
| Deferred tax assets | 12,213 | 11,065 | - | - |
| Total non-current assets | <u>348,141</u> | <u>350,036</u> | <u>152,084</u> | <u>152,084</u> |
| Total assets | <u>1,903,510</u> | <u>1,900,239</u> | <u>165,750</u> | <u>166,335</u> |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Trade payables | 681,724 | 652,233 | - | - |
| Other payables | 93,520 | 126,038 | 29,917 | 28,727 |
| Borrowings | 408,575 | 410,994 | - | - |
| Income tax payable | 11,674 | 12,608 | - | - |
| Total current liabilities | <u>1,195,493</u> | <u>1,201,873</u> | <u>29,917</u> | <u>28,727</u> |
| Non-current liability: | | | | |
| Deferred tax liabilities | <u>2,853</u> | <u>2,824</u> | <u>-</u> | <u>-</u> |
| Capital and reserves: | | | | |
| Share capital | 31,281 | 31,281 | 31,281 | 31,281 |
| Share premium | 75,379 | 75,379 | 75,379 | 75,379 |
| General reserves | 52,262 | 51,642 | - | - |
| Foreign currency translation reserve | (4) | (12) | - | - |
| Accumulated profits | 525,031 | 515,254 | 29,173 | 30,948 |
| Equity attributable to equity holders of the Company | <u>683,949</u> | <u>673,544</u> | <u>135,833</u> | <u>137,608</u> |
| Non-controlling interest | 21,215 | 21,998 | - | - |
| Total equity | <u>705,164</u> | <u>695,542</u> | <u>135,833</u> | <u>137,608</u> |
| Total liabilities and equity | <u>1,903,510</u> | <u>1,900,239</u> | <u>165,750</u> | <u>166,335</u> |

1(b)(ii) Aggregate amount of group borrowings and debt securities

Amount repayable in one year or less, or on demand

| (RMB'000) | As at 31 March 2015 | | As at 31 December 2014 | |
|------------|---------------------|-----------|------------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Borrowings | 105,000 | 303,575 | 120,892 | 290,102 |

Amount repayable after one year

| (RMB'000) | As at 31 March 2015 | | As at 31 December 2014 | |
|------------|---------------------|-----------|------------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Borrowings | - | - | - | - |

Details of any collaterals:

| <u>Collaterals</u> | 31 March 2015 RMB'000 | 31 December 2014 RMB'000 |
|---|-----------------------------|--------------------------------|
| Bills payables | - | 15,892 |
| Land use rights and buildings of a subsidiary | 105,000 | 105,000 |

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

| RMB'000 | First quarter ended | |
|---|------------------------------|------------------------------|
| | 31 March 2015 (Unaudited) | 31 March 2014 (Unaudited) |
| Operating activities | | |
| Profit before income tax | 12,171 | 13,306 |
| Adjustments for: | | |
| Depreciation expense | 6,776 | 6,037 |
| Interest expense | 6,051 | 7,208 |
| Amortisation of land use rights | 353 | 353 |
| Amortisation of intangible assets | 607 | 680 |
| Loss (Gain) on disposal of property, plant and equipment | 78 | (3) |
| (Reversal of) Impairment allowance on inventories | (153) | 626 |
| Interest income | (963) | (344) |
| (Reversal of) Impairment allowance on trade and non-trade receivables | (1,116) | 4,529 |
| Operating cash flows before movements in working capital | 23,804 | 32,392 |
| Trade receivables | 77,474 | 152,301 |
| Other receivables and prepayments | (24,851) | (812) |
| Inventories | (34,087) | (59,123) |
| Trade payables | 29,491 | (54,930) |
| Other payables | (32,518) | (23,927) |
| Cash generated from operations | 39,313 | 45,901 |
| Income tax paid | (4,610) | (6,239) |
| Interest received | 963 | 344 |
| Interest paid | (6,051) | (8,344) |
| Net cash from operating activities | 29,615 | 31,662 |
| Investing activities | | |
| Purchase of property, plant and equipment | (4,835) | (41,225) |
| Payment for land use rights acquired in 2013 | - | (8,098) |
| Proceeds from disposal of property, plant and equipment | 64 | 3 |
| Net cash used in investing activities | (4,771) | (49,320) |
| Financing activities | | |
| Proceeds from new borrowings | 108,029 | 71,906 |
| Pledged bank deposits | 3,826 | 4,919 |
| Repayment of borrowings | (110,448) | (45,098) |
| Net cash from financing activities | 1,407 | 31,727 |
| Net increase in cash and cash equivalents | 26,251 | 14,069 |
| Cash and cash equivalents at beginning of year | 110,486 | 118,798 |
| Effects of foreign exchange rate changes | 8 | - |
| Cash and cash equivalents at end of the period | 136,745 | 132,867 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| <u>Group</u> | Share capital | Share premium | General reserves | Foreign currency translation reserve | Accumulated profits | Equity attributable to equity holders of the Company | Non-controlling interest | Total |
|--|---------------|---------------|------------------|--------------------------------------|---------------------|--|--------------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance at 1 January 2014 | 27,230 | 35,275 | 46,567 | - | 465,888 | 574,960 | 21,819 | 596,779 |
| Profit for January to March 2014, representing total comprehensive income for the period | - | - | - | - | 11,439 | 11,439 | (840) | 10,599 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| <i>Transfer to general reserves</i> | - | - | 1,565 | - | (1,565) | - | - | - |
| Total | - | - | 1,565 | - | (1,565) | - | - | - |
| Balance at 31 March 2014 | 27,230 | 35,275 | 48,132 | - | 475,762 | 586,399 | 20,979 | 607,378 |
| Total comprehensive income for April to December 2014 | | | | | | | | |
| <i>Profit for April to December 2014</i> | - | - | - | - | 44,645 | 44,645 | 1,019 | 45,664 |
| <i>Other comprehensive income for April to December 2014</i> | - | - | - | (12) | - | (12) | - | (12) |
| Total | - | - | - | (12) | 44,645 | 44,633 | 1,019 | 45,652 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| <i>Ordinary shares issued</i> | 4,051 | 40,104 | | | - | 44,155 | - | 44,155 |
| <i>Dividends paid</i> | - | - | - | - | (1,643) | (1,643) | - | (1,643) |
| <i>Transfer to general reserves</i> | - | - | 3,510 | - | (3,510) | - | - | - |
| Total | 4,051 | 40,104 | 3,510 | - | (5,153) | 42,512 | - | 42,512 |
| Balance at 31 December 2014 | 31,281 | 75,379 | 51,642 | (12) | 515,254 | 673,544 | 21,998 | 695,542 |

| <u>Group</u> | <u>Share capital</u> | <u>Share premium</u> | <u>General reserves</u> | <u>Foreign currency translation reserve</u> | <u>Accumulated profits</u> | <u>Equity attributable to equity holders of the Company</u> | <u>Non-controlling interest</u> | <u>Total</u> |
|---|----------------------|----------------------|-------------------------|---|----------------------------|---|---------------------------------|----------------|
| | <u>RMB'000</u> | <u>RMB'000</u> | <u>RMB'000</u> | <u>RMB'000</u> | <u>RMB'000</u> | <u>RMB'000</u> | <u>RMB'000</u> | <u>RMB'000</u> |
| Balance at 1 January 2015 | 31,281 | 75,379 | 51,642 | (12) | 515,254 | 673,544 | 21,998 | 695,542 |
| Total comprehensive income for January to March 2015 | | | | | | | | |
| <i>Profit for January to March 2015</i> | - | - | - | - | 10,397 | 10,397 | (783) | 9,614 |
| <i>Other comprehensive income for January to March 2015</i> | - | - | - | 8 | - | 8 | - | 8 |
| Total | - | - | - | 8 | 10,397 | 10,405 | (783) | 9,622 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| <i>Transfer to general reserve</i> | - | - | 620 | - | (620) | - | - | - |
| Total | - | - | 620 | - | (620) | - | - | - |
| Balance at 31 March 2015 | 31,281 | 75,379 | 52,262 | (4) | 525,031 | 683,949 | 21,215 | 705,164 |

| <u>Company</u> | <u>Share capital</u> RMB'000 | <u>Share premium</u> RMB'000 | <u>Accumulated profits</u> RMB'000 | <u>Equity attributable to equity holders of the Company</u> RMB'000 | <u>Total</u> RMB'000 |
|---|---------------------------------|---------------------------------|---------------------------------------|--|-------------------------|
| Balance at 1 January 2014 | 27,230 | 35,275 | 36,700 | 99,205 | 99,205 |
| Loss for the period, representing total comprehensive loss for January to March 2014 | - | - | (2,469) | (2,469) | (2,469) |
| Balance at 31 March 2014 | 27,230 | 35,275 | 34,231 | 96,736 | 96,736 |
| Loss for the period, representing total comprehensive loss for April to December 2014 | - | - | (1,640) | (1,640) | (1,640) |
| Transactions with owners, recognised directly in equity | | | | | |
| <i>Ordinary shares issued</i> | 4,051 | 40,104 | - | 44,155 | 44,155 |
| <i>Dividends paid</i> | - | - | (1,643) | (1,643) | (1,643) |
| Total | 4,051 | 40,104 | (1,643) | 42,512 | 42,512 |
| Balance at 31 December 2014 | 31,281 | 75,379 | 30,948 | 137,608 | 137,608 |
| Loss for the period, representing total comprehensive loss for January to March 2015 | - | - | (1,775) | (1,775) | (1,775) |
| Balance at 31 March 2015 | 31,281 | 75,379 | 29,173 | 135,833 | 135,833 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in share capital during the first quarters ended 31 March 2015 and 31 March 2014.

There were no outstanding convertibles or treasury shares held as at 31 March 2015 and 31 December 2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company's total issued shares as at 31 March 2015 and 31 December 2014 is 394,800,000 ordinary shares, while the total issued shares as at 31 March 2014 is 329,000,000.

There were no shares held as treasury shares as at 31 March 2015, 31 December 2014 and 31 March 2014.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (“FRSs”) and Interpretations of FRS (“INT FRSs”) that are relevant to its operations and effective for annual periods beginning on or after January 1, 2015. The adoption of the new/revised FRSs, INT FRSs and amendments to FRSs has no material effect on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) Based on the weighted average number of ordinary shares on issue; and
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

| | First quarter ended | |
|--|---------------------|---------------|
| | 31 March 2015 | 31 March 2014 |
| Earnings per share – basic (RMB cents) | 2.63 | 3.48 |

Basic earnings per share for the first quarter ended 31 March 2015 and 31 March 2014 have been calculated based on the issued share capital of 394,800,000 and 329,000,000 ordinary shares.

Diluted earnings per share for the above periods have not been calculated as no diluting events have occurred during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

| | Group | | Company | |
|---------------------------------------|---------------|------------------|---------------|------------------|
| | 31 March 2015 | 31 December 2014 | 31 March 2015 | 31 December 2014 |
| Net asset value per share (RMB cents) | 173.24 | 170.60 | 34.41 | 34.86 |

The net asset value per share for 31 March 2015 and 31 December 2014 have been computed based on shareholders' equity as at these dates and existing share capital of 394,800,000 ordinary shares.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

The Group's performance for the first quarter ended 31 March 2015 ("1Q2015") as compared to that of the first quarter ended 31 March 2014 ("1Q2014")

Revenue

The Group's revenue decreased by RMB 37.9 million or 14.7% from RMB 258.0 million in 1Q2014 to RMB 220.0 million in 1Q2015. This was attributed to an aggregate of RMB 55.8 million decrease in revenue from the Energy Saving and Environmental Protection segment and Pipe Support segment which outweighed the aggregate RMB 17.9 million increase in revenue from the Heat Pipes and Heat Pipe Exchangers segment and Heat Exchangers and Pressure Vessels segment.

Gross Profit

Gross profit declined by approximately RMB 3.4 million or 5.5% from RMB 61.1 million 1Q2014 to RMB 57.7 million in 1Q2015. However, the gross profit margin increased from 23.7% for 1Q2014 to 26.2% for 1Q2015 with higher gross profit margin achieved by the Heat Exchangers and Pressure Vessels segment and Energy Saving and Environmental Protection segment.

Profit before Income Tax

Profit before tax decreased by RMB 1.1 million or 8.5% from RMB 13.3 million in 1Q2014 to RMB 12.2 million in 1Q2015. The decrease was mainly attributable to the following factors:

- (a) Decrease in gross profit of RMB 3.4 million;
- (b) Decrease in other income of RMB 0.6 million attributable to less government grants received in 1Q2015;
- (c) Increase in administrative expenses of RMB 2.6 million mainly due to staff remuneration as a result of additional personnel recruited to fulfill the Group's business growth plans; and
- (d) Higher depreciation expense of RMB 0.7 million in 1Q2015 mainly due to the commencement of depreciation of a new factory building.

The above factors were mitigated by:

- (a) A reversal of impairment allowance of RMB1.1 million in 1Q2015 in contrast to an impairment allowance of RMB 4.5 million in 1Q2014 giving rise to a favorable difference of RMB 5.6 million; and
- (b) Decrease in finance cost of RMB 1.2 million due to less borrowings and lower interest rate.

Income Tax Expense

The Group's effective income tax rate remained stable at approximately 21.0% and 20.3% respectively for 1Q2015 and 1Q2014.

Profit for the Financial Period

In respect of the above, the Group's net profit attributed to the shareholders decreased by RMB 1.0 million or 9.0% from RMB 11.4 million in 1Q2014 to RMB 10.4 million in 1Q2015.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group's Financial Position

The Group's total current assets increased by RMB 5.2 million or 0.3% from RMB 1,550.2 million as at 31 December 2014 to RMB 1,555.4 million as at 31 March 2015 mainly due to:

- (a) Increase in cash and cash equivalents of RMB 26.3 million;
- (b) Increase in other receivables, deposits and prepayments of RMB 24.9 million resulting from increased advance payment for purchases to fulfill the orders on hand; and
- (c) Increase in inventories of RMB 34.2 million due to increased raw materials to fulfill the orders on hands.

The above increase was mitigated by the following:

- (d) Decrease in trade receivables of RMB 76.4 million arising mainly from better collection attributable to the efforts of management to follow up with customers. Approximately 26.85% and 5.39% of the trade receivables at 31 December 2014 and 31 March 2015 respectively were collected as at 30 April 2015. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. Overall, the Group's customers are credit-worthy but payments remain slow due to tightening credit in China; and
- (e) Decrease in pledged bank deposits of RMB 3.8 million as less cash collateral were required for the credit facilities granted.

The Group's total current liabilities decreased by approximately RMB 6.4 million or 0.5% from RMB 1,201.9 million as at 31 December 2014 to RMB 1,195.5 million as at 31 March 2015 mainly due to:

- (a) Decrease in other payables of RMB 32.5 million arising largely from the decrease in accrued value-added tax of RMB 15.1 million and accrued payroll of RMB 18.5 million, which was offset by ;
- (b) Increase in trade payables of RMB 29.5 million as a result of increase in customer advances of RMB 55.2 million.

Review of the Group's Cash Flow Statement for the first quarter ended 31 March 2015

Net cash generated from operating activities amounted to approximately RMB 29.6 million, primarily due to operating cash flows before movements in working capital of approximately RMB 23.8 million that were derived from:

- (a) Higher working capital requirements arising from the increase in other receivables and prepayments of RMB 24.9 million, increase in inventories of RMB 34.1 million and decrease in other payables of RMB 32.5 million;
- (b) Lower working capital requirements due to the decrease in trade receivables of RMB 77.5 million and increase in trade payables of RMB 29.5 million; and
- (c) Interest and tax paid of RMB 10.7 million in aggregate.

Net cash used in investing activities amounted to RMB4.8million mainly due to the purchase of property, plant and equipment.

Net cash inflows from financing activities amounted to RMB 1.4 million due to the proceeds from bank borrowings and pledged bank deposits of RMB 111.9 million in aggregate which were offset by the repayment of bank loan of RMB 110.4 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The actual results are in line with the statement made in Section 10 of the result announcement with respect to the financial year ended 31 December 2014.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 1Q2015, the global economy is still in a downward trend but gradually recovering from the slowdown. However, the overall economy for the rest of the year remains uncertain; thus posing challenges to the Group's business.

The PRC government recently issued an action plan for prevention and control of water pollution. This is expected to attract investments of approximately RMB 4 trillion for the environment protection industry by 2020. In anticipation of the upcoming opportunities in the industry, the Group intends to leverage momentum and leverage on the government driven plan to boost long term growth development.

Barring any unforeseen circumstances, the Directors expect the Group to be profitable for FY2015.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

**(b) (i) Amount per share in cents
(ii) Previous corresponding period in cents**

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have an Interested Person Transaction mandate.

14. Negative Confirmation Pursuant to Rule 705(5).

We do hereby confirm on behalf of the Board of Directors of the Company (“the Board”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the financial statements for the first quarter ended 31 March 2015 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
SUNPOWER GROUP LTD.

Guo Hong Xin
Executive Chairman

Ma Ming
Executive Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director

12 May 2015