

SUNPOWER GROUP LTD.

CLARIFICATION ON USE OF PROCEEDS FROM THE PLACEMENT

The Board of Directors (the “**Board**”) of Sunpower Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company's announcement on 25 February 2016 in respect of the incorporation of subsidiary in the People's Republic of China and use of proceeds from the Placement (“**Liانشui Subsidiary Announcement**”) and the announcements in respect of (i) the Changrun Project dated 23 December 2015; (ii) the Liانشui Project dated 21 January 2016; and (iii) the Internal Restructuring Exercise relating to the Changrun Project dated 3 February 2016 (together with the Liانشui Subsidiary Announcement, the “**Announcements**”). *Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcements.*

The net proceeds raised from the Placement completed on 30 December 2015 (“**Placement Proceeds**”) amounted to approximately S\$46.6 million (after deducting estimated costs and expenses of approximately S\$1.4 million). The Board wishes to clarify the Company's disclosure on its use of Placement Proceeds as stated in the Liانشui Subsidiary Announcement. The Placement Proceeds have been materially disbursed as follows:

Date of utilisation	Use of Placement Proceeds	Amount ⁽¹⁾
30 December 2015	Purchase of land in respect of the Changrun Project. Please refer to the Announcements dated 23 December 2015 and 3 February 2016 for more information.	RMB24.5 million (approximately S\$5.3 million)
25 February 2016	Investment in the Liانشui Sunpower Clean Energy Co., Ltd., being the joint venture investment company in respect of the Liانشui Project. Please refer to the Announcements dated 21 January 2016 and 25 February 2016 for more information.	RMB28.5 million (approximately S\$6.2 million)

Total Placement Proceeds utilised	RMB53.0 million (approximately S\$11.5 million)
--	--

Balance Placement Proceeds available for use	S\$35.1 million
---	------------------------

Note:

(1) Based on the exchange rate of RMB4.59:S\$1.

Each of the above utilisation of Placement Proceeds is consistent with the intended use as disclosed in the Company's circular to shareholders dated 20 November 2015.

The Company will continue to provide updates on the use of Placement Proceeds as and when such Placement Proceeds have been materially disbursed.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforementioned use of Placement Proceeds, other than through their respective shareholdings in the Company (if any).

By Order of the Board

Ma Ming
Executive Director

8 March 2016