



SUNPOWER GROUP LTD.

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE UNAUDITED FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2018

In response to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”), the board of Directors (the “Board”) of Sunpower Group Ltd. (the “Company”) wish to provide the following information:

Question 1:

With reference to the unaudited financial statements for the year ended 31 December 2018, please provide an explanation for the increase in other operating expenses.

Our Response:

The other operating expenses increased by approximately RMB 3.5 million or 13.2% from RMB 26.5 million in FY2017 to RMB 30.0 million in FY2018. This was mainly attributable to the increase in the provision of impairment allowance on trade receivables in Manufacturing and Services (M&S) segment.

Question 2:

Please elaborate on the nature of the increase in property, plant and equipment.

Our Response:

The increase in property, plant and equipment (PP&E) of RMB 395.9 million mainly resulting from the acquisition of Green investment projects during FY2018, which were recognised under PP&E according to the Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-16.

By order of the Board

Ma Ming

Executive Director

5 March 2019