



SUNPOWER GROUP LTD.

RESPONSE TO SGX'S QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

In response to the queries raised by the Singapore Exchange Securities Trading Limited on 14 November 2014, the board of Directors (the "**Board**") of Sunpower Group Ltd. (the "**Company**") wishes to provide the following information:

Query no. 1

Page 2 Other Information. Please provide the reason for the increase in depreciation expenses from RMB 4,133,000 in 3Q2013 to RMB 6,229,000 in 3Q2014.

Our Response:

The increase in depreciation expenses of RMB 2.1 million was largely due to the higher cost of property, plant and equipment existing as at July 1, 2014 as compared with July 1, 2013, leading to a higher depreciation for 3Q2014 to support the Group's business growth. Part of the group's construction-in-progress of RMB70.2 million was also completed and transferred to buildings, leasehold improvements and plant and machinery during the last quarter of 2013.

Query no. 2

Page 2, Other Information. Please provide the reason for the increase in amortisation of intangible assets from RMB 74,000 in 3Q2013 to RMB 607,000 in 3Q2014.

Our Response:

The increase in amortisation of intangible assets of RMB 0.5 million was mainly due to the amortisation of Zero Liquid Discharge (ZLD) technology which the total cost of acquiring from a third party and further development amounts to about RMB 12.1 million by the 3Q2013. The amortisation of ZLD technology started only from 4Q, 2013 onwards. Thus, this resulted in a higher amortisation expense for the intangible assets in 3Q2014 compared to 3Q2013.

By order of the Board

Guo Hongxin
Executive Chairman

19 November 2014