



SUNPOWER GROUP LTD.

INCORPORATION OF SUBSIDIARY IN THE PEOPLE'S REPUBLIC OF CHINA AND 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 21 January 2016 (“**Announcement**”). *Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcement.*

In connection with the Lianshui Project, the Group has incorporated a joint venture company (“**JV Co**”) in the People's Republic of China, which is 95% held by the Group (namely, Sunpower Clean Energy Investment (Jiangsu) Co., Ltd. and Sunpower Technology (Jiangsu) Co., Ltd.) and 5% held by Huai'an Qinglian Environmental Protection Engineering Co., Ltd. Details of the JV Co are as follows:

Name:	Lianshui Sunpower Clean Energy Co., Ltd. (涟水中圣清洁能源有限公司)
Registered Capital:	RMB30,000,000
Legal Representative:	Guo Hongxin
Principal Activities:	Development, design, construction, operation, maintenance and management in relation to clean energy and new energy projects; supply of steam, heat gas and electricity

The investment in the JV Co of RMB28.5 million (approximately S\$6.2 million at an exchange rate of RMB4.59:S\$1) was funded using proceeds from the Placement. Net proceeds raised from the Placement amounted to approximately S\$46.6 million (after deducting estimated costs and expenses of approximately S\$1.4 million), and the above utilisation of proceeds from the Placement is consistent with the intended use as disclosed in the Company's circular to shareholders dated 20 November 2015. The balance net proceeds from the Placement as at the date of this announcement is approximately S\$40.4 million. The Company will continue to provide updates on the use of proceeds as and when such proceeds have been materially disbursed.

The investment in the JV Co is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Company for the current financial year ending 31 December 2016.

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

By Order of the Board

Ma Ming
Executive Director

25 February 2016