

**For Immediate Release**

## Sunpower records 15.6% increase in revenue for 2Q2015

**Singapore, 11 August 2015** – Mainboard-listed Sunpower Group Ltd. (“中圣集团”, “Sunpower” or “the Group”), a China-based heat transfer technology specialist engaged in the design, R&D and manufacture of energy-efficient and environmental protection equipment for diverse industries, reported revenue of RMB348.3 million, registering a year-on-year (“yoy”) increase of 15.6% for its second quarter ended 30 June 2015 (“2Q2015”).

### Financial Highlights

RMB 'Million	2Q2015	2Q2014	YoY % Change	1H2015	1H2014	YoY % Change
<b>Revenue</b>	348.3	301.4	15.6	568.4	559.3	1.6
<b>Gross profit</b>	68.1	75.5	(9.9)	125.8	136.6	(7.9)
<b>Gross profit margin</b>	19.6%	25.1%	(5.5) pp	22.1	24.4	(2.3) pp
<b>Profit attributable to shareholders</b>	15.2	22.0	(30.9)	25.6	33.4	(23.4)
<b>PATMI margin</b>	4.4%	7.3%	(2.9) pp	4.5%	6.0%	(1.5) pp
<b>Basic earnings per share (RMB cents) **</b>	3.84	6.02	(36.2)	6.48	9.62	(32.6)

pp: percentage points

\*\* Calculated based on weighted average of 394,800,000 and 364,824,000 ordinary shares for 2Q2015 and 2Q2014 respectively, 394,800,000 and 346,912,000 shares for 1H2015 and 1H2014 respectively.

The Group's revenue increased by 15.6% from RMB301.4 million for 2Q2014 to RMB348.3 million for 2Q2015, mainly due to the increase in revenue contribution from the Heat Exchangers and Pressure Vessels segment and Energy Saving and Environmental Protection Systems segment of RMB81.8 million, which was partially offset by the decrease in revenue contribution from Pipe Supports segment and Heat Pipes and Heat Pipe Exchangers segments of RMB34.9 million in aggregate.

Gross profit declined by approximately 9.9% from RMB75.5 million for 2Q2014 to RMB68.1 million for 2Q2015. Gross profit margin reduced from 25.1% in 2Q2014 to 19.6% in 2Q2015. This is mainly due to lower gross margin achieved by the Heat Exchangers and Pressure Vessels segment which was caused by more intensive competition in this segment.

Other operating income increased by RMB 3.1 million mainly due to the reversal of impairment allowance on trade and non-trade receivables of RMB 2.5 million;

Other operating expenses increased by RMB3.3 million due to higher impairment allowance recognised in 2Q2015 as compared to the previous year. In addition, selling and distribution expenses increased by RMB1.1 million due mainly to higher staff remuneration as a result of higher skilled personnel being recruited to fulfil the Group's growth plans.

Taking into consideration the decrease in gross profit and increase in expenses as explained above, the Group's net profit attributable to shareholders decreased by 30.9% from RMB22.0 million for 2Q2014 to RMB15.2 million for 2Q2015.

Net cash generated from operating activities amounted to approximately RMB24.0 million in 2Q2015 mainly due to movement in working capital. Working capital changes were mainly derived from increase of RMB50.0 million and RMB20.8 million in trade receivables and trade and other payables respectively and decrease of RMB28.9 million in inventories and other receivables.

## **Outlook**

China is treading a "new normal" of slower growth, with GDP for 2015 targeted at 7% growth. The recent China stock market plunge and deepening problem of corporate debt are also expected to take a toll on the economy.

On a positive note, the implementation of Water Pollution Prevention and Control Action Plan in China will encourage several enterprises to increase their investment in facilities and equipment for environmental protection. The Group is of the view that the plan would increase the demand for products and services in the environmental protection segment.

Mr. Guo Hongxin, Chairman of the Sunpower Group comments, **"While we foresee challenges ahead in this industry, we remain cautiously optimistic on the business's outlook. The rollout of favourable government policies and law relating to environmental protection such as the "New Environment Protection Law" ("新环保法") and the Water Pollution Prevention Plan ("水十条") would increase the demand for energy saving and environmental protection systems in the market, leading to business opportunities to the Group.**

**The Group continues to makes great efforts to strengthen the R&D of environmental protection technology. Going forward, we will remain focused in improving our research and development capabilities in air treatment and industrial wastewater treatment via BOT (Build-Operate-Transfer) and TOT (Transfer-Operate-Transfer) models so as to enhance our market competitiveness in the growing energy-saving and environmental protection industry through this challenging period."**



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### **About Sunpower Group Limited**

PRC-based Sunpower Group Ltd. Specializes in the design, R&D and manufacture of customized energy-saving and environmental protection products using heat-transfer technologies. Its products range from heat exchangers and pressure vessels, heat pipes and heat-pipe exchangers, pipe supports, and energy-saving and environmental protection systems. They are used in various industries such as petrochemical, steel, transportation, chemicals, metallurgy, solar energy etc, particularly in energy projects that benefit from the products' energy-saving and energy-efficiency features. Sunpower has a strong customer base and is a member of both China Petroleum and Chemical Corporation ("SINOPEC") materials supply network and China National Petroleum Corporation ("CNPC") first-tier network. These memberships pre-qualify the Group to supply products to companies in the SINOPEC and CNPC groups. To date, the Group has 121 patents registered in China to its proprietary heat technologies.

For more information, please refer to: <http://sunpower.com.cn/>.

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**Issued for and on behalf of Sunpower Group Ltd**  
**By Financial PR Pte Ltd**

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