

**For Immediate Release**

## Sunpower's 1Q2014 net profit to shareholders increased to RMB11.4 million

- Revenue grew 19.5% yoy due to increased sales of Energy Saving and Environmental Protection products
- Profit increased mainly due to one-off sale of equipment to certain customer
- Group to improve efforts in research and development to capture the growing energy conservation and environment protection market in China

**Singapore, 12 May 2014** – Mainboard-listed Sunpower Group Ltd. (“中聖集團”, “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 growth in both, its top and bottom line, for its first quarter ended 31 March 2014 (“1Q2014”). Net profit attributable to shareholders increased 144.5% year-on-year (“yoy”) to RMB11.4 million on the back of a 19.5% yoy increase in revenue to RMB258.0 million for 1Q2014.

### Financial Highlights

RMB 'Million	1Q2014	1Q2013	YoY% Change
<b>Revenue</b>	258.0	215.9	19.5
<b>Gross profit</b>	61.1	49.2	24.1
<b>Gross profit margin</b>	23.7%	22.8%	0.9 pp*
<b>Profit attributable to shareholders</b>	11.4	4.7	144.5
<b>Earnings per share (RMB cents) **</b>	3.48	1.42	145.1

pp:percentage points

\*\*Calculated based on the issued share capital of 329,000,000 ordinary share for 1Q2014 and 1Q2013

Revenue increased 19.5% yoy to RMB258.0 million for 1Q2014 mainly due to the increase in revenue contribution from the Energy Saving and Environmental Protection segment. China's increasing awareness towards environment protection has spurred growth in the environmental sector. As a result, the revenue contribution from our Energy Saving and Environmental Protection segment increased by RMB85.1 million for 1Q2014, which was offset by a decrease in Heat Exchangers and Pressure Vessels segment of RMB44.4 million.

Gross profit improved 24.1% yoy to RMB61.1 million for 1Q2014 from 49.2 million for 1Q2013, while gross profit margin remained relatively constant at approximately 23.0% in both 1Q2013 and 1Q2014.

In particular, with reference to the announcements dated 23 November 2012, 17 January 2013, 4 March 2014 and 17 March 2014 in response to SGX's queries on the unaudited Financial

Statements for the third quarter ended 30 September 2012, the Group had recognized revenue for the one-off sale of the equipment to this customer that made significant improvement to the gross profit in 1Q2014.

Despite the overall increase in revenue, administrative expenses were effectively managed by the Group as they increased by 1.0% yoy from RMB30.5 million to RMB30.8 million. Other operating expenses increased by RMB4.5 million mainly due to the increase in impairment allowance on trade receivables. Finance costs decreased 3.2% yoy to RMB7.2 million for 1Q2014.

As a result of higher revenue and the one-off sale mentioned above, the Group's net profit attributed to shareholders increased 144.5% yoy to RMB11.4 million for 1Q2014 from RMB4.7 million in 1Q2013.

The Group continues to improve its cash flow management by managing collections of its trade receivables. As at 31 March 2014, the Group generated a net cash from operating activities of RMB31.7 million for 1Q2014, as compared to RMB9.3million for 1Q2013.

### **Outlook**

In 1Q2014, the world economy continued to proceed on its path of gradual recovery. Nevertheless, it still remains vulnerable to uncertainties which pose certain challenges to the Group's business. China continues to make structural adjustments to its economy to counter challenges such as overcapacity, slowing investment, low market demand and export problems.

Mr. Guo Hongxin, Chairman of the Sunpower Group comments, “

**On 23 April 2014, we have proposed a share placement which has received the in-principle approval from SGX-ST for the listing and quotation of the placement shares on 6 May 2014 and the allotment was complete on 12 May 2014. Upon completion of placement, the net proceeds will be used to meet additional working capital requirements of the Group.”**

Barring any unforeseen circumstances, the directors expect the Group to be profitable for FY2014.

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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 107 patents relating to its proprietary heat technologies that are registered in China.

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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