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**For Immediate Release**

## Sunpower records 166.7% increase in profit attributable to shareholders to RMB40.5 million for 2Q2016

- Revenue grew 12.7% yoy mainly due to the increased EPC revenue from secured BOO/BOT projects
- Gross profit increased by 50.4% to RMB102.4 million for 2Q2016 from RMB68.1 million for 2Q2015
- Continue to focus on Green Investment segment to generate EPC income from BOO/BOT/TOT projects and provide recurring income for the long term.

**Singapore, 3 August 2016** – Mainboard-listed Sunpower Group Ltd. (“中圣集团”, “Sunpower” or “the Group”), a one-stop solution provider for energy conservation, waste-to-energy and renewable energy projects which specialise in the design, R&D and manufacture of energy conservation products in China, reported growth in both its top and bottom line for the 3 months ended 30 June 2016 (“2Q2016”). Revenue grew 12.7% year-on-year (“yoy”) to RMB392.6 million and profit attributable to shareholders surged 166.7% yoy to RMB40.5 million for 2Q2016.

**Financial Highlights**

RMB 'Million	2Q2016	2Q2015	YoY % Change	1H2016	1H2015	YoY % Change
<b>Revenue</b>	392.6	348.3	12.7	684.0	568.4	20.4
<b>Gross profit</b>	102.4	68.1	50.4	172.7	125.8	37.3
<b>Gross profit margin</b>	26.1%	19.6%	6.5pp	25.3%	22.1%	3.2pp
<b>Profit attributable to shareholders</b>	40.5	15.2	166.7	56.5	25.6	120.9
<b>PATMI margin</b>	10.3%	4.4%	5.9pp	8.3%	4.4%	3.9pp
<b>Earnings per share (RMB cents) **</b>	5.48	3.84	42.7	7.66	6.48	18.2%

*pp: percentage points*

\*\* Calculated based on weighted average of 737,657,142 ordinary shares for 2Q2016 and 1H2016, 394,800,000 shares for 2Q2015 and 1H2015.



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The Group's revenue increased by 12.7% from RMB348.3 million for 2Q2015 to RMB392.6 million for 2Q2016, mainly due to the increase in revenue contribution from EPC Integrated Solutions segment of RMB57.8 million which was partially offset by a decrease in revenue contribution from Environmental Equipment Manufacturing ("EEM") segment of RMB13.5 million.

Gross profit increased by approximately 50.4% from RMB68.1 million for 2Q2015 to RMB102.4 million for 2Q2016. Gross profit margin increased from 19.6% for 2Q2015 to 26.1% for 2Q2016 mainly due to higher gross margin achieved by both the EEM segment and EPC Integrated Solutions segment.

As a result, the Group's net profit attributed to shareholders surged by 166.7% from RMB15.2 million for 2Q2015 to RMB40.5 million for 2Q2016.

Net cash generated from operating activities amounted to approximately RMB104.5 million for 2Q2016 primarily due to movements in working capital. Working capital changes were mainly derived from decrease in trade receivables and other receivables, deposits and prepayments, and increase in inventories and other payables.

## **Outlook**

China's economy has slowed down and is maintaining a GDP growth of 6.7% year-on-year in the second quarter of 2016. This was largely driven by a series of government stimulus to boost the economy.

Mr. Guo Hong Xin, Chairman of the Sunpower Group comments, **"We are pleased that the strategies that we have adopted in expanding our business have been validated by the strong earnings growth in 2Q2016. The growth of the Group was contributed by the EPC Project from secured BOO/BOT projects.**

**The elimination of inefficient coal-boilers will be accelerated according to the "Clean and Efficient Use of Coal Action Plan (2015-2020)" which was issued by National Energy Administration. By 2020, high efficiency coal-boilers will be accounting for more than 50% of the total coal-boilers. According to the 13<sup>th</sup> Five-Year Plan, the air quality of all cities at the prefecture level and above must meet "good" and "excellent" standard 80% of the time<sup>1</sup>.**

**As coal is the primary source of energy in China, brighter prospects can be seen in the centralized steam and electricity area with the development of clean coal technology which can achieve energy saving and emission reduction of coal combustion. Coupled with favourable policies from the government to reduce the pollution emissions, good business opportunities will emerge for the Group.**

**Going forward, the Group will continue to adopt its strategy in Green Investment, EPC integrated Solutions and Environmental Equipment Manufacturing segments. The Group will focus on the Green Investment segment to benefit from the government's environmental policies and regulations, and continue to generate EPC income from BOO/BOT/TOT projects and provide stable and recurring income for the long term, which will eventually enhance the quality of the Group's earnings and improve shareholders' value.**



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### **About Sunpower Group Limited**

PRC-based Sunpower Group Ltd. is a one-stop solution provider for energy conservation, waste-to-energy and renewable energy projects which specialise in the design, R&D and manufacture of energy conservation products in China. Its main businesses include environmental equipment manufacturing, EPC Integrated Solutions (flare-gas recovery system, Zero Liquid Discharge (“ZLD”) system, photovoltaic power generation and petrochemical engineering) and Green investments with Build-Operate-Transfer (“BOT”)/Transfer-Operate-Transfer (“TOT”)/Build-Operate-Own (“BOO”) models (centralized steam and electricity). Sunpower has a strong customer base which includes well-known international customers such as BASF, BP, Shell, SABIC, Dow Chemical, Alcoa and Mobil, and Chinese conglomerates such as China Petrochemical Corporation (“Sinopec”), China National Petroleum Corporation (“CNPC”), China National Offshore Oil Corporation (“CNOOC”) and China Shenhua.

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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<sup>1</sup> Report on the Work of the Government, [http://www.npc.gov.cn/englishnpc/Speeches/2016-03/18/content\\_1985677.htm](http://www.npc.gov.cn/englishnpc/Speeches/2016-03/18/content_1985677.htm)