

For Immediate Release

Sunpower wins Deloitte’s inaugural Best Managed Companies award in China

- **Deloitte BMC award recognises Sunpower’s excellence in overall business management**
- **Sunpower’s strategic expansion into GI has driven it to new heights, given natural fit with in-house capabilities and GI’s proven track record for long-term, recurring, high-quality income and cashflow**
- **The successful execution of GI strategy has benefited the growth and quality of Sunpower’s earnings and cashflow, whilst helping alleviate smog and reduce pollution for China**

Singapore, 22 March 2019- Mainboard-listed Sunpower Group Ltd. (“中聖集團”, “Sunpower” or the “Group”) (SGX: 5GD.SI), an environmental protection solutions specialist with a strong focus on expanding into anti-pollution investment projects (“Green Investments” or “GI”) which generate long-term intrinsic value in the form of recurring income and cash flows, today announced that the Group has been recognised as one of China’s Best Managed Companies (“BMC”) by Deloitte Touche Tohmatsu Limited (“Deloitte”), the largest of the “Big Four” accounting and audit firms in the world¹.



The Deloitte BMC programme is a global initiative to identify and recognise private companies with advanced management ideas and excellent business performance. This is the first year that the award has been introduced to China following its inception in Canada in 1993. Shortlisted companies are evaluated based on a global framework of “Best Managed” criteria, comprising the four key tenets of management excellence – Strategy, Operational Excellence, Leadership and Employees’ Commitment to Corporate Excellence, as well as Financial Strength.

¹Based on FY2018 revenue



No. 2111 Cheng xin Road, Nanjing Jiang ning, Science Park, Nanjing 211112, PRC
Tel: (86) 25-5216 9777 Fax: (86) 25-5216 9700 Web: www.sunpower.com.cn

Sunpower was founded in 1997 as a provider of environmental protection and energy saving solutions with a vision to shape a green future. Its high-end equipment manufacturing and environmental services (Manufacturing & Services or “M&S”) have helped reputable global clients such as BASF, BP, Shell, SABIC, Sinopec and CNOOC among others, to achieve their environmental and economic goals. In 2015, severe air pollution prompted China’s government to implement various pollution control policies. One of them was to mandatorily close small pollutive coal-fired boilers, one of the biggest source of air pollution in China. Seeing the enormous business potential and the chance to protect the environment, Sunpower strategically expanded into GI in 2016 as a first-mover and subsequently position it as its key value creator and growth driver which generates long-term, recurring, high quality income and cashflows. This is a natural expansion that merged its proprietary integrated technologies and expertise, management expertise and decades of experience in the M&S segment into a synergistic business model structured to maximise returns.

Sunpower is the exclusive centralised supplier of steam within selected industrial parks, which have typically 30-year concession agreements with exclusive rights to renew. Through early capital raising and leveraging its track record and highly-experienced management team Sunpower has established a valuable portfolio of 7 operating GI projects and has another 5 projects under construction and/or in the design phase with a robust pipeline of projects under evaluation. Sunpower’s resounding success is evident in its latest FY2018 financial performance: (1) underlying net profit increased 87.1% YoY to RMB267.8 million mainly due to the stronger-than-expected ramp-up of the GI projects, and (2) GI recorded a four times increase in operating cash flow to RMB211.7 million despite still in the early stage of development. Sunpower has successfully grown into a company with growing long-term, recurring, high-quality income and cashflow, with potential to ramp up further. Sunpower is on track to build a sizable GI portfolio with a target to invest RMB 2.5 billion in equity by 2021.

Mr. Guo Hongxin, Executive Chairman of Sunpower, said, “It is a great honour for us to receive this prestigious award from Deloitte and join the ranks of companies that are setting the highest standards in management practices in a competitive market like China. This is a strong endorsement of Sunpower’s leading position in the environmental protection space, and stands as a testament to the strength of our management team. The recognition by Deloitte reaffirms our efforts and will spur us on to achieve even greater excellence in business management.”

“Over the last 22 years, we have worked tirelessly to establish ourselves as a leading provider of environmental protection solutions. We are heartened that our latest performance is supportive of the

GI strategy. Our position now is the result of proven strategic planning and execution, in seizing the right opportunities with foresight, specifically, having identified an advantageous business model for GI projects that can deliver long-term, recurring high-quality income and cash flows. We owe this success to the winning combination of our management team and strategic investors DCP Capital and CDH Investments, who invested US\$180 million to support Sunpower.”

“However, this is only the beginning. We will remain focused on continuously realising the enormous potential of GI, which we believe will drive sustainable growth for Sunpower and also fulfill our social mission to alleviate smog and return blue skies to China.”

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About the Deloitte Best Managed Companies program

The Deloitte Best Managed Companies (BMC) program is a global initiative to identify and recognize private companies with advanced management ideas and excellent business performance. Since its launch in Canada in 1993, BMC has been introduced to many countries. As founder and chief organizer of BMC China, Deloitte China works with partners such as Bank of Singapore, Business School of Hong Kong University of Science and Technology, Harvard Business Review and Federation of Shenzhen Commerce to integrate resources across the globe.

More info at www2.deloitte.com/cn/en/pages/deloitte-private/topics/best-managed-companies.html.

About Sunpower Group Limited

Founded in 1997, Sunpower Group Ltd. (SGX: 5GD.SI) is an environmental protection solutions specialist in proprietary energy saving and clean power technologies, with a strong focus on expanding into anti-pollution investment projects (“**Green Investments**”) which generate intrinsic value in the form of long-term, recurring and high quality cash flows.

With proven capabilities in technology innovation and proprietary clean energy solutions, Sunpower is shaping a green future for itself by continuously developing its business segments of Green Investments (GI) and Manufacturing & Services (M&S).

Sunpower has rapidly expanded its GI business in recent years by leveraging on its existing core technologies to operate of centralised steam and electricity supply plants. Through typical 30-year concessions in industrial parks, the GI business brings in additional stream of long-term, recurring and high quality income to the Company. GI is the key value creator and growth driver of the Group and currently has 7 projects in operation.

For M&S segments, Sunpower has delivered superior quality products and services to approximately 1,500 customers in over 30 countries across the globe to date. Its reputable customer base includes BASF, BP, Shell, SABIC, DowDuPont, Alcoa and Mobil, China Petrochemical Corporation



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(SINOPEC), China National Petroleum Corporation (CNPC), China National Offshore Oil Corporation (CNOOC) and China Shenhua.

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

Winnie Lyu

Email: ir@sunpower.com.cn

Phone: +86 25 5216 9718

Gregory Yap

Email: ir@sunpower.com.cn

Phone: +65 9889 5054

August Consulting (Singapore)

Jeremy Sing

Email: jeremysing@august.com.sg

Phone: +65 6733 8873

Zavier Ong

Email: zavierong@august.com.sg

Phone: +65 6733 8873