

**For Immediate Release**

## Sunpower records revenue of RMB220 million for 1Q2015

**Singapore, 12 May 2015** – 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 revenue of RMB220 million, a year-on-year decrease of 14.7%, for its first quarter ended 31 March 2015 (“1Q2015”).

### Financial Highlights

| RMB 'Million                               | 1Q2015 | 1Q2014 | YoY % Change |
|--|--------|--------|--------------|
| <b>Revenue</b>                             | 220.0  | 258.0  | (14.7)       |
| <b>Gross profit</b>                        | 57.7   | 61.1   | (5.5)        |
| <b>Gross profit margin</b>                 | 26.2%  | 23.7%  |              |
| <b>Profit attributable to shareholders</b> | 10.4   | 11.4   | (9.1)        |
| <b>PATMI margin</b>                        | 4.7%   | 4.4%   |              |
| <b>Earnings per share (RMB cents) **</b>   | 2.63   | 3.48   | (24.4)       |

\*\* Calculated based on the issued share capital of 394,800,000 and 329,000,000 ordinary share for 1Q2015 and 1Q2014

The business environment in China remains challenging as the deceleration of China’s economy continued in the first quarter of FY2015. Affected by the weaker economy, the Group’s revenue decreased by 14.7% from RMB258.0 million for 1Q2014 to RMB220.0 million for 1Q2015. This was mainly due to the decrease in revenue contribution from Energy Saving and Environmental Protection segment and Pipe Support segment of RMB55.8 million in aggregate, which was partially mitigated by the increase in revenue contribution from Heat Pipes and Heat Pipe Exchangers segment and Heat Exchangers and Pressure Vessels segment of RMB17.9 million in aggregate.

In tandem with the decrease in revenue, gross profit reduced by 5.5% from RMB61.1 million for 1Q2014 to RMB57.7 million for 1Q2015. However, gross profit margin increased by 2.5 percentage points from 23.7% for 1Q2014 to 26.2% for 1Q2015 due to higher gross profit margin achieved by the Heat Exchangers and Pressure Vessels segment and Energy Saving and Environmental Protection segment.



No. 2111 Chengxin Road, Nanjing Jiangning, Science Park, Nanjing 211112, PRC  
Tel: (86) 25-5216 9777 Fax: (86) 25-5216 9700 Web: [www.sunpower.com.cn](http://www.sunpower.com.cn)

Administrative expenses increased by RMB2.6 million to RMB33.4 million for 1Q2015. This was mainly attributed to increased staff remuneration as a result of additional personnel recruited to fulfil the Group's business growth plans.

Other operating expenses decreased by RMB4.5 million due to higher impairment allowance on trade and non-trade receivables incurred in 1Q2014. Finance cost also decreased by RMB1.2 million due to lower borrowings.

As a result of the above factors, the Group's net profit attributed to shareholders decreased by 9.0% from RMB11.4 million for 1Q2014 to RMB10.4 million for 1Q2015.

Net cash generated from operating activities amounted to approximately RMB29.6 million for 1Q2015 mainly due to movement in working capital of RMB23.8 million. This was attributed to an increase in Inventories of RMB34.1 million and decrease in trade receivables of RMB77.5 million.

## **Outlook**

At the start of the year 2015, the global economy is still in a downward trend but gradually recovering from the slowdown. Nevertheless, it remains vulnerable as uncertainties and unstable factors persist in the global environment.

China is entering a stage of "new normal", which allows a slower growth rate to achieve more sustainable and healthy growth. As a result, China's economy is still under downward pressure. For 1Q2015, China grew at the slowest pace of 7%, which hit a six year low. A series of easing measures implemented by the Government to improve the economy delivered less impact than expected.

Mr. Guo Hongxin, Chairman of the Sunpower Group comments, **"Faced with the challenging environment, we still managed to remain profitable through risk management and cost management."**

**Amidst the slowing economy, however, we also foresee some favourable trends ahead. In April this year, the Chinese central government announced the long-awaited Water Pollution Prevention and Control Action Plan ("水十条", "The Plan"), which is regarded as one of the most stringent regulations in water-related sector. Along with the regulation, the Plan also specifies actions the government will take to achieve the concrete targets. It is forecasted that the total investment will top RMB4.0 trillion to achieve such goals and will further translate into new demand for products and services in the environmental protection segment, with an estimated value of RMB1.4 trillion. This should present new opportunities for the Group.**

**The Group will continue to strengthen its efforts to improve the operational efficiency and R&D capability so as to capture new opportunities arising from the market. We hope with**



No. 2111 Chengxin Road, Nanjing Jiangning, Science Park, Nanjing 211112, PRC  
Tel: (86) 25-5216 9777 Fax: (86) 25-5216 9700 Web: [www.sunpower.com.cn](http://www.sunpower.com.cn)

**these proactive measures, the Group will be able to steer through the challenging macro climate and strengthen our competitiveness.”**

Barring any unforeseen circumstances, the Group expects to remain profitable for the remainder of FY2015.

**- End -**

### **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 120 patents registered in China to its proprietary heat technologies.

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

---

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

For more information please contact:

Cindy Jin, [cindyjin@financialpr.com.sg](mailto:cindyjin@financialpr.com.sg)

Yit Sung Ngo, [yitsung@financialpr.com.sg](mailto:yitsung@financialpr.com.sg)

Tel: (65) 6438 2990 Fax: (65) 6438 0064