



SUNPOWER GROUP LTD.

**Corporate Presentation
August 2016**

中聖集團

Disclaimer

Any statements regarding the potential future performance of the Group are based upon a range of assumptions which Sunpower Group's management, from their experience, believe are reasonable. However, these statements are estimates only and no assumption can be guaranteed. Any differences between actual conditions and the assumptions may result in a material variance between the actual future performance of the Group and that estimated in this presentation.

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Corporate Overview

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Established Since 1997, listed on SGX in 2005.

With 20 years of proven track record in the energy-saving and environmental protection sector.

Three Core Segments

(a) Green Investment

Build-Operate-Transfer BOT/Transfer-operate-transfer TOT/Build-Owned-Operate BOO

SMOG Governance: BOT/TOT/BOO of Centralized Steam and Electricity Plants

Future Plans : Evaluating to expand into other green areas such as sludge treatment

(b) EPC Integrated Solutions

EPC of BOT/TOT/BOO projects, Flare-gas Recovery and Energy Saving System, Zero Liquid Discharge System,

Photovoltaic Power Generation, Clean Energy (Petrochemical Engineering)

(c) Environmental Equipment Manufacturing

High Efficient Heat Exchangers and pressure vessels, Heat Pipes and heat pipe exchangers, Reactors,

Low temperature water preheater, Pipeline energy saving products

Our Customers include:

(a) Chinese SOEs & corporations such as Sinopec ,CNPC ,CNOOC, ChemChina, CREC, GCL and China Shenhua etc.

(b) International customers such as BASF, BP, Shell, SABIC, DOW, Technip, Celanese, CTCI, TOYO and MES etc.

2Q2016 Financial Highlights

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- ❖ Revenue increased 12.7% to RMB392.6 million.
- ❖ Pre-tax profit increased 196.7 % to RMB54.2 million.
- ❖ PATMI increased 166.7 % to RMB40.5 million.
- ❖ Gross profit margin increased from 19.6 % to 26.1%.

2Q2016 Financial Highlights

❖The Group's revenue increased by approximately RMB 44.3 million or 12.7% from RMB 348.3 million in 2Q2015 to RMB 392.6 million in 2Q2016. This was attributed to an aggregate increase of RMB 57.8 million from the EPC Integrated Solutions segment. The increase was offset by an aggregate decrease of RMB 13.5 million from Environmental Equipment Manufacturing (EEM) segment.

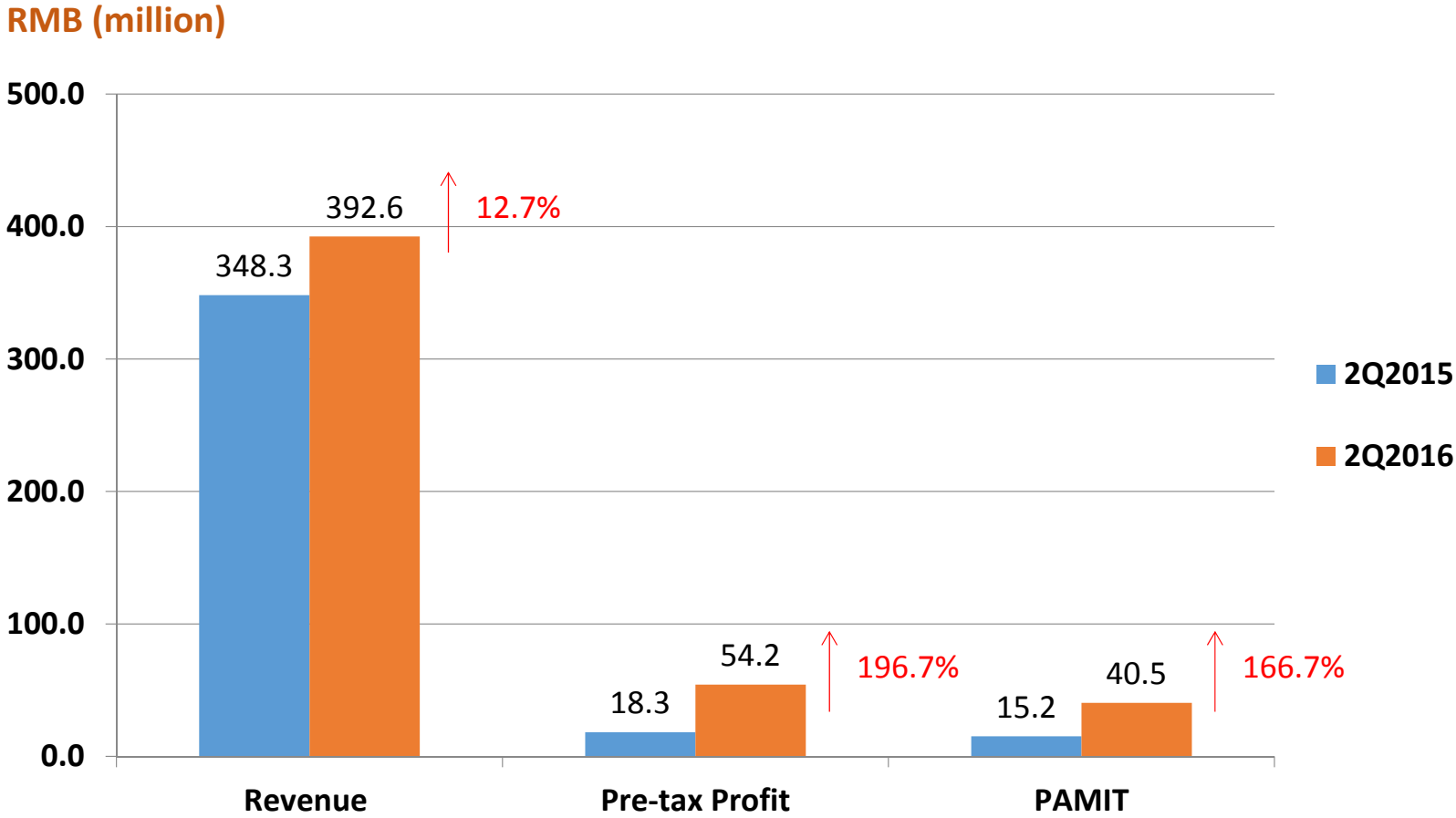
❖Gross profit increased by approximately RMB 34.3 million or 50.4% from RMB 68.1 million in 2Q2015 to RMB 102.4 million in 2Q2016. Gross profit margin increased from 19.6% for 2Q2015 to 26.1% for 2Q2016 mainly due to higher gross margin achieved by both the EEM segment and EPC Integrated Solutions segment.

❖The Group's net profit attributable to the shareholders increased by RMB 25.3 million or 166.7% from RMB 15.2 million in 2Q2015 to RMB 40.5 million in 2Q2016.

Profit & Loss Highlights

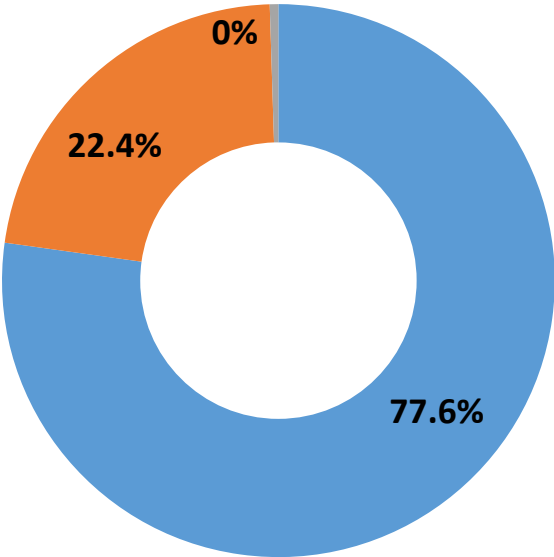
RMB (million)	2Q2015	2Q2016	% Change
Revenue	348.3	392.6	12.7
Gross Profit	68.1	102.4	50.4
Pre-tax Profit	18.3	54.2	196.7
PATMI	15.2	40.5	166.7
Gross Margin	19.6%	26.1%	31.6
PATMI Margin	4.4%	10.3%	136.4
EPS (RMB cents)	3.84	5.48	42.7

Profit & Loss Highlights

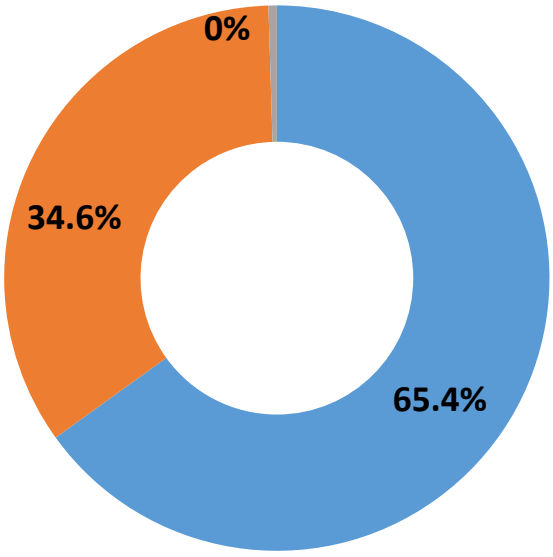


Revenue Composition

- Environmental equipment manufacturing
- EPC integrated solutions
- Green investments



2Q2015



2Q2016

Balance Sheet Summary

RMB (million)	FY2015	2Q2016	% Change
Trade Receivables	1262.0	1269.8	0.6%
Inventories	234.8	231.8	-1.3%
Total Current Assets	2,055.1	1,908.7	-7.1%
Non Current Assets	473.4	722.2	52.6%
Current Liabilities	1,511.7	1,514.2	0.2%
Equity	992.8	1054.3	6.2%
Total Liabilities & Equity	2,528.5	2,630.8	4.0%

Financial Review

The Group's total current assets decreased by RMB 146.4 million or 7.1% from RMB 2,055.1 million as at 31 December 2015 to RMB 1,908.9 million as at 30 June 2016 mainly due to a decrease in cash and cash equivalents of RMB 158.1 million, which is mainly due to the usage of funds from share placement in December 2015 for green investment projects during 6 months ended 30 June 2016.

The above decrease was partly offset by the following:

- (a) Increase in trade receivables of RMB 7.8 million arising mainly from increase in notes receivables with recourse of RMB 88.4 million which was offset against the decrease in trade receivables of RMB 24.5 million and decrease in note receivables from third parties of RMB 56.1 million;
- (b) Approximately 38.5% and 4.2% of the trade receivables at 31 December 2015 and 30 June 2016 respectively were collected as at 31 July 2016. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. Overall, the Group's customers are credit-worthy but payments remain slow due to tightening credit in China.

Financial Review

The Group's total current liabilities increased by RMB 2.5 million or 0.2% from RMB 1,511.7 million as at 31 December 2015 to RMB 1,514.2 million as at 30 June 2016. The increase was mainly due to an increase in trade payables of RMB 28.0 million.

Cash Flow Highlights

RMB (million)	2Q2015	2Q2016
From Operating Activities	24.0	104.5
From Investing Activities	-7.5	-144.4
From Financing Activities	0.6	-51.5
Cash and Cash equivalents	153.9	216.4

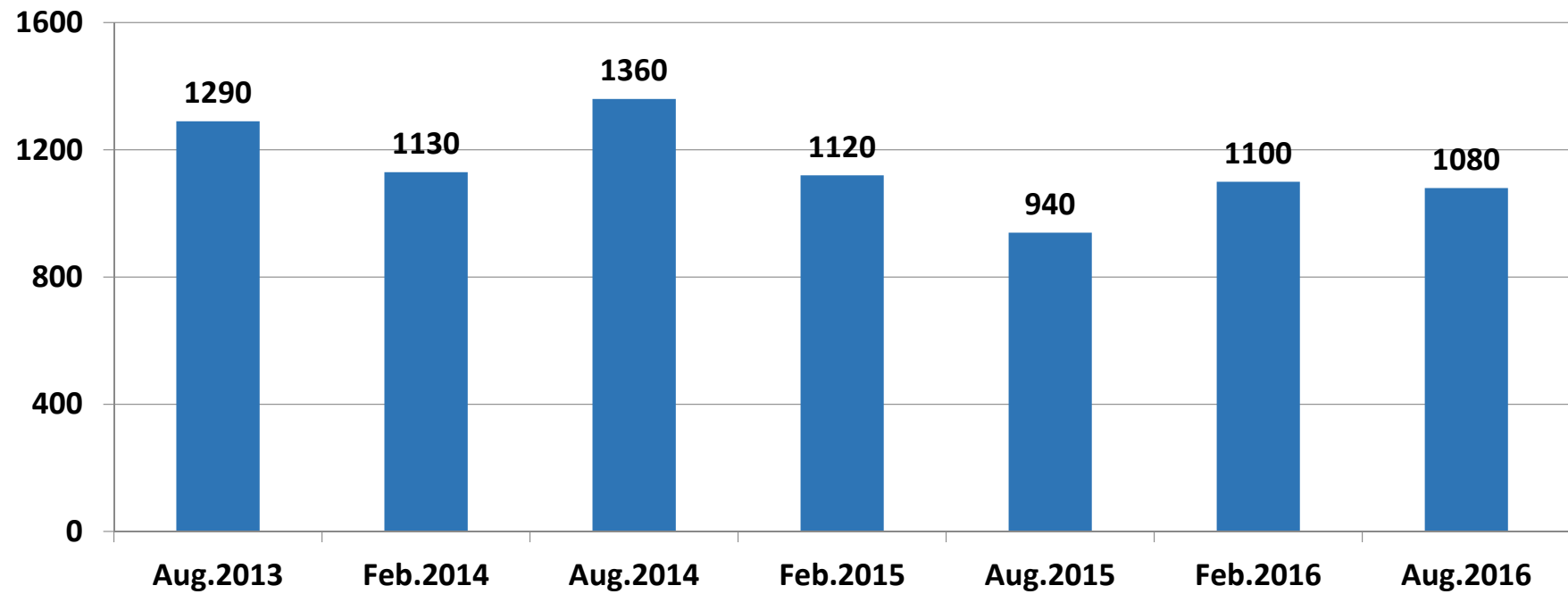
Growth Strategies & Plans

Growth Strategies & Plans

- ❖ 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.
- ❖ Continue to strengthen the R&D investment and innovation, keep stable business growth in supplying energy related solutions, energy-saving and environmental protection products.

Order book Update

RMB (million)



Investment Merits

Investment Merits

- ❖ 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 13th Five-Year Plan, the air quality of all cities at the prefecture level and above must meet “good” and “excellent” standard 80% by 2020.
- ❖ The 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.
- ❖ The several centralized steam and electricity BOO/BOT project we have secured would be good demonstration which is helpful for us to get more projects.

Q&A