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For Immediate Release

Sunpower records 74.4% increase in profit attributable to shareholders to RMB142.2 million for FY2016

- Revenue grew 13.3% yoy mainly due to higher contribution from the EPC Integrated Solutions Systems and Environmental Equipment Manufacturing segments.
- Gross profit increased by 27.5% to RMB408.3 million for FY2016 from RMB320.2 million for FY2016.
- Maintained track record of stable dividend, proposed a first and final dividend of SGD 0.0012 per share which equivalent to a payout ratio of around 3% for FY2016.
- Successfully repositioned as an environmental protection services provider into anti-smog service section for centralized steam projects to provide recurring income in the long term.
- CDH Fund as a strategic value-added investor that will not only inject capital but also provide institutional support for the Company's long term growth.

Singapore, 28 February 2017 – Mainboard-listed Sunpower Group Ltd. (“中圣集团”, “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 the financial year ended 31 December 2016 (“FY2016”). Revenue grew 13.3% year-on-year (“yoy”) to RMB1,626.2 million and profit attributable to shareholders surged 74.4% yoy to RMB142.2 million for FY2016.

Financial Highlights

RMB 'Million	FY2016	FY2015	YoY % Change
Revenue	1,626.2	1,435.3	13.3%
Gross profit	408.3	320.2	27.5%
Gross profit margin	25.1%	22.3%	2.8pp
Profit attributable to shareholders	142.2	81.5	74.5%
PATMI margin	8.7%	5.7%	3.0pp
Earnings per share (RMB cents) **	19.27	20.54	(6.2%)

pp: percentage points

** Calculated based on weighted average of 737,657,000 ordinary shares for FY2016 and 396,679,000 shares for FY2015.



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The Group's revenue increased by 13.3% from RMB1,435.3 million for FY2015 to RMB1,626.2 million for FY2016, mainly due to the increase in revenue contribution from the Engineering Procurement and Construction ("EPC") Integrated Solutions segment of RMB152.6 million and Environmental Equipment Manufacturing ("EEM") segment of RMB38.8 million.

Gross profit increased by approximately 27.5% from RMB320.2 million for FY2015 to RMB402.5 million for FY2016. Gross profit margin increased from 22.3% for FY2015 to 25.1% for FY2016.

Other operating income increased by RMB17.1 million largely due to government grant received and reversal of impairment allowance on trade and non-trade receivables of RMB21.9 million in FY2016. Administrative expenses increased by RMB13.0 million in FY2016 mainly due to full-year impact of employee share option expenses and personnel expenses in line with group's performance.

As a result of the above, the Group's net profit attributed to shareholders surged 74.4% from RMB81.5 million for FY2015 to RMB142.2 million for FY2016.

Net cash generated from operating activities amounted to approximately RMB430.0 million for FY2016 primarily due to movements in working capital. Working capital changes were mainly derived from increase in other receivables and other payables with decrease in trade payables, trade receivables, and inventories.

Outlook

China is still in the midst of implementing economic reforms and restructuring. The economy grew by 6.7% in 2016, marking the slowest growth for the past 25 years. China's economic development has entered into a "New Normal" phase of slower growth. With the latest development in the Chinese economy, a "New Normal" has been unfolding in China's environmental protection industry as well.

Mr. Guo Hongxin, Chairman of the Sunpower Group comments, **"Despite continued periods of volatility in the China market, we are pleased to announce an encouraging results for FY2016. FY2016 marks a significant milestone for the Group. We repositioned and our growth momentum in the green energy industry and anti-smog services sector for the centralised steam and electricity facility projects. EPC income from the centralised steam projects has contributed to the rise in revenue for the year. With the expected completion of the 3 centralized heating projects in first half of 2017, the recurring income is expected to be generated in FY2017.**

Meanwhile, we have CDH Fund as a strategic value-added investor that will not only inject capital but also provide institutional support for the Company's long term growth.



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Moving forward, the Group will continue efforts to maintain stable performance in its Environmental Equipment Manufacturing and Engineering Procurement and Construction business segments. Besides, we will also expand our Green Investment business segment via BOO, BOT or TOT business models by leveraging on the vast opportunities in the environmental protection related industry. These opportunities arose as a result of the encouraging policies implemented by the Chinese government such as the Energy Saving Plan during 13th Five-Year Plan Period. We will strive to optimize the income structure 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/>.

Issued for and on behalf of Sunpower Group Ltd
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