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For Immediate Release

Sunpower recorded profit attributable to shareholders of RMB32.0 million for 2Q2017 with financial effects of Convertible Bonds

- Revenue reduced 4.3% yoy mainly due to lower contribution from Engineering Procurement and Construction (“EPC”) Integrated Solutions segment
- Gross profit decreased by 17.3% to RMB84.7 million for 2Q2017 from RMB102.4 million for 2Q2016
- Persistent efforts in expanding business in the centralised steam/electricity and clean energy industry to achieve stable EPC income and long-term recurring income
- For Green Investment segment, Hebei Changrun Project has begun trial production in 2Q2017 whereas Lianshui Project and Quanjiao Project are expected to commence production in 3Q2017
- The Group secured two more projects in Shantou Chaonan and Shandong Liutuan which are currently in the construction phase.

Singapore, 14 August 2017 – 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 manufacturing of energy-efficient and environmental protection equipment for diverse industries, reported a 20.9% decrease in profit attributable to shareholders to RMB32.0 million for the 3 months ended 30 June 2017 (“2Q2017”).

RMB 'Million	Actual (with financial effects of Convertible Bonds)				Actual (without financial effects of Convertible Bonds)			
	2Q2017	2Q2016	1-2Q2017	1-2Q2016	2Q2017	2Q2016	1-2Q2017	1-2Q2016
Revenue	375.9	392.6	719.1	684.0	375.9	392.6	719.1	684.0
Gross profit	84.7	102.4	171.4	172.7	84.7	102.4	171.4	172.7
Gross profit margin	22.5%	26.1%	23.8%	25.2%	22.5%	26.1%	23.8%	25.2%
Profit attributable to shareholders	32.0	40.5	(51.5)	56.5	22.9	40.5	48.6	56.5
PATMI margin	8.5%	10.3%	(7.2%)	8.3%	6.1%	10.3%	6.8%	8.3%
Basic Earnings per share (RMB cents) **	4.3	5.5	(7.0)	7.7	3.1	5.5	6.6	7.7

pp: percentage points

** Calculated based on weighted average of 737,657,000 ordinary shares for 2Q2017 and 2Q2016



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The Group's revenue decreased by 4.3% from RMB392.6 million for 2Q2016 to RMB375.9 million for 2Q2017, mainly due to the decrease in revenue contribution from the Engineering Procurement and Construction ("EPC") Integrated Solutions segment of RMB46.3 million which was partially offset by an increase in revenue contribution from Environmental Equipment Manufacturing ("EEM") segment of RMB29.6 million.

Gross profit decreased by approximately 17.3% from RMB102.4 million for 2Q2016 to RMB84.7 million for 2Q2017. Gross profit margin decreased from 26.1% for 2Q2016 to 22.5% for 2Q2017 mainly due to increased competition and higher raw material price in the EEM segment.

The Group's administrative expenses increased by RMB8.5 million mainly due to higher foreign exchange loss from USD depreciation and increase in business development expenses in line with the expansion of the Group's Green Investment segment.

As a result, the Group's net profit attributed to shareholders decreased by 20.9% from RMB40.5 million for 2Q2016 to RMB32.0 million for 2Q2017.

Net cash generated from operating activities amounted to approximately RMB90.7 million for 2Q2017 primarily due to movements in working capital of approximately RMB 33.7 million. Working capital changes were mainly derived from increase in trade receivables, inventories, other receivables and prepayments, and increase in trade payables and other payables.

Outlook

The recovery of world economy is weak and uncertain. Besides, China is in the midst of implementing economic reforms and restructuring where Chinese industrial economy is facing serious downward pressure which pose challenges to the Group's business.

Mr. Guo Hongxin, Chairman of the Sunpower Group comments, **"In the 13th five-year plan, the Chinese government has reiterated and expanded the structural reform in the energy sector. In May 2017, the "Initiative Plan of Circular Development" was issued by National Development and Reform Commission ("NDRC") to support a green and low-carbon economy. With the growing awareness of environmental concern, the Chinese government has implemented several favourable policies to promote the development of clean energy and environmental protection industry which in turn present more opportunities to the Group. . As an update, the Group has begun trial production for the Hebei Changrun Project whereas Lianshui Project and Quanjiao Project are expected to commence trial production in 3Q2017. Subsequently, the Group strives to improve its market penetration in the centralised steam/electricity and clean energy industry by securing two more projects in Shantou Chaonan and Shandong Liutuan which are currently in the construction phase.**

Moving ahead, the Group will continue its efforts to expand our business in the centralised steam/electricity and clean energy industry. On 11 August 2017, the Group had entered into an agreement to acquire Shandong Yangguang Engineering Design Institute to create synergies for the Group's Green Investment segment. The Group is confident that it would secure more projects in the pipeline to achieve stable EPC income and long-term recurring income from the BOT/BOO/TOT projects, which will enhance the quality of the Group's earnings and 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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