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## Sunpower's Changrun Project commences supply of steam to Sanli

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### Highlights

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- Pipeline network construction has been completed ahead of schedule and steam supply to Sanli has started smoothly
  - High steam demand of Sanli enables Changrun Project to further ramp up capacity utilisation of its two boilers
  - The total pipeline network of Changrun has extended to about 80km, which will effectively enlarge its captive customer base coverage
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**SINGAPORE – 27 May 2021** - Mainboard-listed Sunpower Group Ltd. (“中圣集团”, “Sunpower” or the “Group”), an environmental protection solutions specialist with a strategic focus on 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 it has commenced the supply of steam to Hebei Sanli Group Co., Ltd. (三利集团有限公司) and Hebei Sanli Wool Spinning Co., Ltd.(河北三利毛纺有限公司) (these together referred to as “**Sanli**”), one of the largest towel and blanket manufacturing enterprises with a renowned brand in China.

Sunpower has completed the construction of the steam distribution pipeline that connects Changrun Project to Sanli's facilities and commenced the steam supply to Sanli ahead of schedule due to its strong execution and project management capability. Operational since 2017, Changrun Project (Phase 1) is equipped with two steam boilers of 220 tons per hour (t/h) each and two 25MW electricity generators. Following the steam supply to Sanli, Changrun Project has further ramped up as Sanli has demonstrated a large and stable demand for steam. Such high demand is expected to generate additional recurring revenue and income for the Group from 2021 and further raise the project's investment return.

Changrun Project's solid business fundamentals have also improved further with the connection of the new pipeline network to Sanli. Its total pipeline network now extends to about 80km, which will effectively enlarge its captive customer coverage. Changrun applies long distance steam distribution technology to construct the pipeline network to Sanli and other customers. This innovative technology is able to expand the geographical reach of the pipeline and minimise temperature and pressure loss during transmission which increases economies of scale and reduces feedstock cost for the project. In

addition, the adoption of the circular economy model and sludge incineration technology enables the project to further improve its operational efficiencies.

**Mr. Ma Ming, Executive Director of Sunpower, commented:** “We are pleased to commence the steam supply to Sanli following the earlier-than-expected completion of pipeline network construction. This is a strong testament to our execution capability and operational efficiency. With the successful connection of the new steam pipeline network to Sanli, Changrun Project will be able to effectively expand its captive customer coverage and continue to ramp up its capacity utilisation to meet expected strong demand in the coverage area. This will further raise the project’s investment return and generate additional recurring revenue and income for the Group.

He continued, “We will continue to advance the development of the GI business, the Group value creator and growth driver that generates long-term high-quality recurring income and cash flows. The Group is building a high quality GI asset portfolio to take advantage of the enormous potential of the anti-smog services market in China. Of our portfolio of 11 GI projects, 9 are currently operational, while other GI projects such as part of the new facility of the Xintai Zhengda Project, phase 2 of Shantou Project, Tongshan Xuzhou Project and Shanxi Xinjiang Project are under construction.”

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#### **About Sunpower Group Ltd.**

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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 strategic 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. Sunpower has rapidly expanded its GI business in recent years by leveraging on its core technologies. The GI segment is mainly focused on the investment and operation of centralised steam and electricity supply business, which is expected to bring in additional stream of recurring income to the Company.

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

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