



## SUNPOWER GROUP LTD.

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### SECURED BUILD-OPERATE-TRANSFER (“BOT”) CENTRALISED STEAM PROJECT IN ANHUI QUANJIAO ECONOMIC DEVELOPMENT ZONE, ANHUI PROVINCE, CHINA

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Unless otherwise defined, capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the circular (“**Circular**”) dated 20 November 2015 issued by the Company to its shareholders relating to, *inter alia*, the proposed placement (“**Placement**”) of up to 400,000,000 new ordinary shares in the capital of the Company.

#### 1. INTRODUCTION

- 1.1 We, Sunpower Group Ltd. (the “**Company**” and its subsidiaries and associated companies, the “**Group**”) are pleased to announce that the Company had today, through its wholly-owned subsidiary, Quanjiao Sunpower Clean Energy Co., Ltd. (全椒中圣清洁能源有限公司) (“**Quanjiao Sunpower**”), entered into a concession agreement (“**Concession Agreement**”) with the Management Committee of the Anhui Quanjiao Economic Development Zone (“**AHQJ EDZ**”) to build a centralised steam facility in the Anhui Quanjiao Economic Development Zone (the “**Zone**”) (the “**Quanjiao Project**”). The Quanjiao Project will be carried out by our wholly-owned subsidiary, Quanjiao Sunpower. Please refer to the announcement dated 20 August 2015 for further details on Quanjiao Sunpower.
- 1.2 The Company had in its Circular to shareholders dated 20 November 2015 in relation to, *inter alia*, the Placement, announced that it was evaluating various environmental projects in China, that may include environmental related engineering, procurement and construction including the New Projects which may comprise BOT, build-owned-operate (“**BOO**”) and/or transfer-operate-transfer (“**TOT**”) type of projects. The Quanjiao Project is one such New Projects.
- 1.3 The Quanjiao Project will be carried out in phases. The investment amount for the first phase of the Quanjiao Project is estimated to be approximately RMB54 million (approximately S\$11.8 million, at an exchange rate of RMB4.59: S\$1), comprising (i) incorporation of Quanjiao Sunpower with a registered capital of RMB30 million (approximately S\$6.5 million at the exchange rate of RMB4.59: S\$1), and (ii) the cost of construction of the steam facility comprising the Quanjiao. The investment amount for the first phase of the Quanjiao Project will be funded by the net proceeds from the Placement, bank loans and internal resources. The intended use of the net proceeds from the Placement is in accordance with the proposed use of the net proceeds from the Placement as disclosed in the Circular to finance the Group’s investment into the New Projects.

#### 2. QUANJIAO PROJECT

- 2.1 The first phase of the Quanjiao Project will involve the construction of one coal-fired boiler with a capacity of 40 tonnes per hour, as well as steam distribution pipelines to supply steam to companies operating within the Zone. Low carbon and pollution emission solutions will be adopted. The operation of the first phase of the Quanjiao Project is contemplated to be in the third quarter of 2016. This project will contribute to the Group’s EPC revenue and bring in another stream of recurring income.
- 2.2 The Quanjiao Project is a BOT project with a concession period of 30 years (“**Concession Period**”). Pursuant to the terms of the Concession Agreement, upon the expiry of the

Concession Period, AHQJ ECZ has an option to accept the transfer of Quanjiao Project back to AHQJ ECZ within three (3) months from the expiry of the Concession Period. In the event that the AHQJ ECZ does not exercise its option for the Quanjiao Project to be transferred to it, the parties shall negotiate for an extension of the Concession Period or enter into a new Concession Agreement in relation to the Quanjiao Project.

- 2.3 The Quanjiao Project is not expected to have a material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ending 31 December 2016.
- 2.4 None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Quanjiao Project, other than through their respective shareholdings in the Company (if any).
- 2.5 The Company will make further announcements in relation to the Quanjiao Project, including the actual disbursement of the net proceeds from the Placement, at the appropriate time in compliance with the requirements under the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

**Mr Ma Ming**  
Executive Director  
18 February 2016