



No. 2111 Chengxin Road, Nanjing Jiangning, Science Park, Nanjing 211112, PRC
Tel: (86) 25-5216 9777 Fax: (86) 25-5216 9700 Web: www.sunpower.com.cn

For Immediate Release

Sunpower secured new centralised steam BOT project worth RMB95 million

- **The total investment for the Project at Lianshui Economic Development Zone, Jiangsu Province, is approximately RMB95 million**
- **Expanding into smog treatment businesses and centralized heating industry**
- **Contributing EPC revenue and recurring income to the Group**

Singapore, 18th January 2016 – 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, is pleased to announced that it has secured a centralised steam Build-Operate-Transfer (“BOT”) project (“Lianshui Project” or the “Project”) in Lianshui Economic Development Zone (the “Zone”) which is located at Jiangsu Province, China. Currently, the Zone has no centralised steam facility and each manufacturing plant relies on its own individual small coal-fired boilers for steam. The small boilers are highly energy inefficient and very polluting with carbon and pollution emissions.

The Group’s wholly-owned subsidiaries, Sunpower Clean Energy Investment (Jiangsu) Co., Ltd. (“Sunpower Clean Energy”, 中圣清洁能源投资(江苏)有限公司) and Sunpower Technology (Jiangsu) Co., Ltd. (“Sunpower Technology”, 中圣科技(江苏)有限公司) have entered into a joint venture agreement with Huai’an Qinglian Environmental Protection Engineering Co., Ltd., a subsidiary of the Lianshui Economic Development Zone’s Central Management Committee, to form an entity to invest in the Project together. The Group will hold 95% equity stake in the newly formed joint venture entity.

Phase I of the Project will comprise two coal-fired boilers with a capacity of 40 tonnes per hour each and steam distribution pipelines, supplying steam to more than 20 companies in the Zone. The Project was secured on a BOT basis for a concession period of not more than 30 years and is expected to commence operation in the second half of 2016. Following the Changrun Project (announced on 23 December 2015), the Lianshui Project is another centralised steam low carbon and pollution emission project which will contribute to the Group’s EPC revenue and bring in another stream of recurring income.

Clean coal-fired boilers will be adopted in this Project as it is highly energy efficient, less polluting, has low operating cost and safer to operate.



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According to the agreement, once the Project is in operation for 30 days, the Zone's authority will close down all the existing individual coal-fired boilers within the Project in one month and disallow the usage of individual coal-fired boilers by new industrial projects or tertiary industrial projects.

In recent years, China is facing severe air pollution which is mainly attributed to the usage of a large number of small capacity coal-fired-boilers, in which most of them do not adopt pollution preventive measures and do not have emission control. In order to control air pollution and smog, the government has rolled out a series of environmental policies, laws and regulations, including mainly eliminating coal-fired-boilers with a capacity of 10 tonnes per hour and below in Jiangsu Province by end of 2017.

Mr. Guo Hongxin, Chairman of Sunpower Group comments, **“As we mentioned earlier, greater business opportunities will be available for the Group as the environmental-related industry in China is growing rapidly. Capitalising on the Group's cutting-edge technologies, we will be continuously expanding into businesses related to control of air pollution and haze via BOT and BOO models. This would further strengthen our recurring income stream and thus deliver greater value to the shareholders.”**

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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 specialized in the design, R&D and manufacture of energy conservation products with more than 120 registered patents in China. Its energy-saving and environmental protection solutions include Zero Liquid Discharge (“ZLD”) system, flare gas recovery system and sulphur recovery system. Sunpower has a strong customer base which includes well-known international customers such as BASF, Shell, Dow Chemical, BP, SABIC, Alcoa, and Mobil, and Chinese conglomerates such as China Petrochemical Corporation (“Sinopec”), China National Offshore Oil Corporation (“CNOOC”), China National Petroleum Corporation (“CNPC”) and China National Chemical Corporation (“ChemChina”). The Group is a member of both Sinopec's materials supply network and CNPC's first-tier network. These memberships pre-qualify the Group to supply products to companies in the Sinopec and CNPC groups.

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

Issued for and on behalf of Sunpower Group Ltd



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By Financial PR Pte Ltd

For more information please contact:

Yong Jing Wen, jingwen@financialpr.com.sg

Yit Sung Ngo, yitsung@financialpr.com.sg

Tel: (65) 6438 2990 Fax: (65) 6438 0064