
Sunpower's Yongxing Plant cooperates in a JV to supply industrial steam using general solid waste

Highlights

- Joint venture with Suzhou Green Enthalpy and Zhangjiagang Water Group to produce and supply industrial steam using general solid waste as feedstock
 - Diversifies Yongxing Plant's steam sources and feedstock mix and enhances its capacity to meet rising steam demand from its captive customers
 - Expected to further solidify its exclusive position in its coverage area to supply clean steam
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SINGAPORE – 8 December 2021 - Mainboard-listed Sunpower Group Ltd. (“中聖集團”, “Sunpower” or the “Group”), a leading provider of industrial steam with a sizeable portfolio of 100%-recurring, long-term, cash-generating Green Investments (“GI”) projects that uses innovative integrated environmental-protection technologies to facilitate the development of the circular economy and help China attain carbon peak and carbon neutrality, today announced that its subsidiary Zhangjiagang Yongxing Thermal Power Co., Ltd. (张家港永兴热电有限公司, “Yongxing Plant”) will cooperate in a joint venture (the “JV”) with Suzhou Green Enthalpy Thermal Technology Co., Ltd. (苏州绿焔热力科技有限公司, “Suzhou Green Enthalpy”) and Zhangjiagang Water Group Co., Ltd. (张家港市水务集团有限公司, “Zhangjiagang Water Group”) (the “Parties”) (the “Proposed Cooperation”) to produce steam using general solid waste as a feedstock.

Yongxing Plant is located in Zhangjiagang, Suzhou City, Jiangsu province, an economically-developed region with diversified and resilient industries. The investment in the JV will enable Yongxing Plant to diversify its sources of steam while the additional steam supply from the JV will help it meet the strong and rising demand from customers within its coverage area and deliver additional investment returns for the Group. In addition, the use of general solid waste will further diversify Yongxing Plant's feedstock mix and solidify its exclusive position in providing “clean and green” steam to the downstream customers.

The Parties have incorporated a JV named Suzhou Green Bright Renewable Energy Co., Ltd. (苏州绿晟新能源有限公司, “Suzhou Green Bright”), in which Yongxing Plant will hold a 28% equity interest while Suzhou Green Enthalpy and Zhangjiagang Water Group will have a 42% and 30% equity interest respectively. The registered capital of the JV is estimated at RMB60 million and Yongxing

Plant's equity investment is estimated to be RMB16.8 million. The guaranteed portion of the steam produced by the JV plant will be supplied on a wholesale basis to Yongxing Plant based on the agreed terms once the JV plant is completed and commissioned.

Mr. Ma Ming, Executive Director and CEO of Sunpower, commented: “This joint venture brings three key benefits to the Group. First, it enhances the ability of Yongxing Plant to serve the rising steam demand of the vibrant industries in our coverage area and deliver additional investment returns to the Group. Second, the use of general solid waste will diversify the feedstock mix and further align Sunpower's green development strategy with national environmental policies. Third, it proves the resiliency and adaptability of our strategy that is focused on the supply of industrial steam with various types of feedstock.”

He added, “We therefore believe that adding this JV into our GI portfolio is the natural step. It is part of our continuing efforts to steer the development of the GI in the direction of further cultivating and enhancing the quality of our GI project portfolio to achieve, better quality growth and further boost the investment returns and value of our assets in the long term.”

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About Suzhou Green Enthalpy Thermal Technology Co., Ltd.

Suzhou Green Enthalpy Thermal Technology Co., Ltd. (苏州绿焔热力科技有限公司) was established in 2019. Suzhou Green Enthalpy has extensive experience in collecting and stockpiling general solid waste in Zhangjiagang City.

About Zhangjiagang Water Group Co., Ltd.

Zhangjiagang Water Group Co., Ltd. (张家港市水务集团有限公司) was established in 2019 with a registered capital of RMB1.5 billion. Its shareholder is the State-owned Assets Supervision and Administration Commission of Zhangjiagang City.

About Sunpower Group Ltd.

Sunpower Group Ltd. (SGX: 5GD.SI) is a leading provider of industrial steam with a sizeable portfolio of 100%-recurring, long-term cash-generating Green Investments (“GI”) projects that use innovative integrated environmental-protection technology to facilitate the development of the circular economy and help China to attain its carbon peak and carbon neutrality goals. It was founded in China in 1997 and listed on the Singapore Exchange (SGX) in 2005.


In 2020, Sunpower disposed its Manufacturing and Services (“M&S”) business for an attractive consideration that unlocked value and improved investment returns for investors. To reward

shareholders and bondholders, a substantial Special Dividend of S\$0.2412 a share was declared and paid in 2021. Following the monetisation of M&S, the sole principal business of the Group is the “Green Investments” (“GI”) business where it has a sizeable portfolio of GI projects that generate 100% recurring, long-term, high-quality income and cashflow.

Sunpower is successfully expanding the GI business by leveraging on its robust and replicable business model with unique competitive edge to unlock the long-term growth potential. With the application of innovative technology packages that raise high entry barriers, a proven effective management team to provide leadership and execution capabilities in operations and risk management, and the strong support of strategic investors DCP and CDH, Sunpower is continuously shaping a green future for itself as it takes its green, low-carbon, circular economy GI business to greater heights.

Sunpower actively undertakes the responsibility of promoting the sustainable development of the economy and society, and has been recognised by various environmental and industry associations. To date, Sunpower has been included as a member of China Association of Environmental Protection Industry (中国环境保护产业协会), Renewable Energy Generation Branch of China Electric Power Promotion Council(中国电力发展促进会可再生能源发电分会), Shandong Province Electric Power Enterprise Association (山东省电力企业协会), Energy Association of Jiangsu Province (江苏省能源行业协会), and Jiangsu Association of Environmental Protection Industry (江苏省环境保护产业协会), and as a director member of Hebei Association of Environmental Protection Industry (河北省环境保护产业协会).

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

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