



# SUNPOWER GROUP LTD.

(Company Registration No. 35230)  
(Incorporated in Bermuda with limited liability)

---

## SUNPOWER ENTERED INTO A COOPERATIVE AGREEMENT WITH XINTAI ZHENGDA THERMOELECTRIC TO ACQUIRE NO LESS THAN 70% OF ITS EQUITY INTEREST

---

### 1. INTRODUCTION

- 1.1 The board of directors (the “Board” ) of Sunpower Group Ltd. (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司) (“Sunpower Clean Energy”), a wholly-owned subsidiary of the Company, has entered into a cooperative agreement (the “Agreement”) with Xintai Zhengda Thermoelectric Co., Ltd. (新泰正大热电有限责任公司) (the “Target”) to acquire no less than 70% of the equity interest in the Target, subject to the terms and conditions of the Agreement (the “Proposed Acquisition”).
- 1.2 The Target is a company incorporated in the People’s Republic of China with the registered capital of RMB10 million. Situated in Xintai City, Shandong Province, the Target provides steam and heat to the local industrial enterprises and residents and supplies electricity that it generates to the local grid through its existing facilities. Recently, the Target has been ordered by the local government to relocate and build its new facilities in Xintai Economic Development Zone during the 13th Five-Year-Plan period (2016-2020).
- 1.3 Pursuant to the terms of the Agreement, the Group and the shareholders of the Target shall sign the definitive share transfer agreement (the “Definitive Agreement”) thereafter to accomplish the Proposed Acquisition.
- 1.4 The consideration for the Proposed Acquisition (the “Consideration”) shall be fixed on the basis of the valuation result in the appraisal report issued by an independent valuer recognized by the Group, the Target and the local State-owned Assets Supervision and Administration Commission.

As at the date of this announcement, the appraisal report that is to be issued by an independent valuer is not yet available. The Group will provide updates on the Consideration together with the closure of the Definitive Agreement at the appropriate time in compliance with the requirements under the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Consideration will be satisfied in cash, and funded from the Group’s internal resources and net proceeds from the convertible bonds issued on 3 March 2017.

### 2. POST-ACQUISITION

- 2.1 With the proven track record over the past years in the industry, the existing facilities will remain in normal operation prior to the completion of the new facilities, fulfilling the requirements of current customers in the local area. In addition, the local government will provide certain compensation for the policy-based relocation of the existing facilities.
- 2.2 In accordance with the “Cogeneration Scheme of Xintai City (2016-2030)” issued by the local government, the capacity of the new facilities will be equipped with 1\*130t/h biomass boiler and 1\*30MW electricity generator, 3\*130t/h coal-fired boilers and 1\*18MW+1\*25MW electricity generators as well as steam distribution pipelines.

The new facilities will be constructed in phases when the relevant approvals are received from the local development and reform commission and other authorities. Once completed and commissioned, the new facilities will continue to serve the requirements of a variety of customers with the supply of steam, heat and electricity in a broader region. In addition, the combination of the biomass and coal-fired boilers is expected to add in more flexibilities to the operation of the new facilities in the future. This is expected to contribute to the Group's EPC revenue and bring in additional stream of recurring income in the forthcoming years.

Moreover, the Proposed Acquisition will contribute to the ongoing expansion of the Group's existing Green Investments business and is in line with the expansion plans detailed in the circular dated 13 February 2017 in connection with the convertible bonds issue.

- 2.3 The Proposed Acquisition 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 2017.
- 2.4 None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company (if any).
- 2.5 The Company will make further announcements in relation to the Proposed Acquisition, including the closure of the Definitive Agreement and the actual disbursement of the net proceeds from the convertible bonds issue on 3 March 2017, at the appropriate time in compliance with the requirements under the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

**Ma Ming**  
Executive Director

29 September 2017