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## **For Immediate Release**

### **Sunpower completed acquisition of a total of 71% equity interest in Xintai Zhengda Thermoelectric**

- **Xintai Zhengda is a de facto monopolistic steam supplier with proven track record and prospects in polluted Shandong Province**
- **Excellent addition to Green Investments (GI) portfolio that generates long-term and high-quality recurring income and cashflows**
- **Such a GI portfolio, once successfully built and realized, will deliver high net present value to the Group**

Singapore, 6 July 2018 - Mainboard-listed Sunpower Group Ltd. (“中圣集团”, “Sunpower” or the “Group”), an environmental protection solutions specialist with a strong focus on expanding into anti-pollution investment projects (“Green Investments” or “GI”) which generates long-term intrinsic value in the form of recurring income and cash flows, is pleased to announce that it has completed its acquisition of a total of 71% stake in Xintai Zhengda Thermoelectric Co., Ltd. (新泰正大热电有限责任公司) (“Xintai Zhengda”). Located in Xintai City, Shandong Province, Xintai Zhengda is the exclusive centralised steam plant serving diverse industries and residents in the northern part of the city. Currently, phase one of its new facilities is under construction with design capacities of 1\*130t/h biomass boiler and 1\*30MW electricity generator, 2\*130t/h coal-fired boilers and 1\*18MW electricity generators. 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 mandatory relocation of the existing facilities.

The aggregate purchase consideration for the Acquisition is RMB66.5 million (the “Consideration”) which will be satisfied in cash, and funded by the Group’s internal resources, bank loans and net proceeds from the Convertible Bonds Issue. The Consideration was arrived at after arm’s-length negotiations on a willing-buyer, willing-seller basis, and after taking into consideration the value of Xintai Zhengda based on a valuation report (“Valuation Report”) issued by Beijing Hwasion Concord Assets Appraisal Co., Ltd. (北京华信众合资产评估有限公司). According to the Valuation Report, the fair value of a 100% equity interest is RMB93.7 million as at 30 September 2017.

**Mr Guo Hongxin, Executive Chairman of Sunpower Group**, said, “The acquisition of Xintai Zhengda is in line with our medium-to-long term strategy to build a sizeable portfolio of Green Investments assets, which will create value and drive growth for the Group. With its de facto monopolistic status in steam supply, among other drivers, Xingtai Zhengda is



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expected to contribute even larger high-quality recurring income and cashflow upon the completion of the new facilities.”“We believe it is in the best interest for Sunpower to continuously expand its GI portfolio over the long haul as GI is expected to be EPS accretive and value accretive to the Group. This will allow the Group will continue to leverage its unique competitive edge to further cement its market leadership and first mover advantage in the GI business.”

**-END-**

### **Forward-looking Statement**

This press release includes forward-looking statements and financial information provided with respect to the anticipated future performance and involve assumptions and uncertainties based on the Group’s view of future events. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this press release and the Company's operations and business outlook, contain forward-looking statements. Accordingly, there can be no assurance that such projections and forward-looking statements can be realized. The actual results may vary from the anticipated results and such variations may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions of the forward-looking statements and financial information based thereon. The Group undertakes no obligation to update forward-looking statements and financial information to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. The past performance of the Group is not necessarily indicative of the future performance of the Group.

### **About Sunpower Group Limited**

Founded in 1997, Sunpower Group Ltd. (SGX: 5GD.SI) is an environmental protection solutions specialist in proprietary energy saving and clean power technologies, expanding into anti-pollution investment projects (“Green Investments”) for recurring income.

With proven capabilities in technology innovation and proprietary clean energy solutions, Sunpower is shaping a green future for itself by continuously developing its business segments of Green Investments (GI), Environmental Equipment Manufacturing (EEM), and Engineering, Procurement and Construction Integrated Solutions (EPC).

Sunpower has rapidly expanded its GI business in recent years by leveraging on its existing core technologies of high-efficiency heat transfer, long distance heat insulated steam distribution, energy-saving and ultra-low emission clean power generation. 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 the EEM and EPC segments, Sunpower has delivered superior quality products and services to approximately 1,500 customers in over 30 countries across the globe to date. Its



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reputable customer base includes BASF, BP, Shell, SABIC, DowDuPont, Alcoa and Mobil, China Petrochemical Corporation (SINOPEC), China National Petroleum Corporation (CNPC), China National Offshore Oil Corporation (CNOOC) and China Shenhua.

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

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