

## **Sunpower completes acquisition of a 90% equity interest in Changshu Suyuan Thermal Power Co.,Ltd**

- **A promising addition to the existing GI portfolio that will enhance the Group’s recurring, long-term and high-quality income and cashflow**
- **Suyuan Thermal Power’s sales revenue has grown steadily in the past three years supported by the flourishing textile and garment industries in Changshu, Suzhou**
- **Demand is expected to increase significantly for Suyuan Thermal Power by 2020 due to the mandatory closure of small dirty boilers and relocation of additional customers**

**SINGAPORE – 13 August 2019** - Mainboard-listed Sunpower Group Ltd. (“中圣集团”, “Sunpower” or the “Group”) (SGX: 5GD.SI), an environmental protection solutions specialist with a leading edge in anti-pollution investment projects (“Green Investments” or “GI”) that generate long-term intrinsic value in the form of recurring income and cash flows, today announced that it has completed the acquisition of an of a 90% equity interest in Changshu Suyuan Thermal Power Co., Ltd ( “常熟苏源热电有限公司” or “Suyuan Thermal Power” ) at the consideration of RMB300 million which has been adjusted based on the actual results of due diligence.

Suyuan Thermal Power is the exclusive steam supplier within its coverage area located in Changshu city where the textile and garment have been the mainstay industries for over 40 years with a current annual turnover of over RMB100 billion. Changshu has a well-developed industry value chain comprising raw materials, supplementary materials, design, printing & dyeing, knitting, textile and sales, among others, that forms a full industry chain. The printing and dyeing is an integral part of the further processing of textile and is in the midstream of the value chain. With the available extensive and strong infrastructural support, Suyuan Thermal Power’s sales revenue from its resilient and captive customer base of 49 printing and dyeing enterprises has grown steadily in the past 3 years.

With the upcoming mandatory closure of nearly 30 small “dirty” boilers by end-2019<sup>1</sup>, the Group expects demand for steam to increase significantly for Suyuan Thermal Power by 2020. In addition,

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<sup>1</sup> Implementation Plan to Reduce Total Coal Consumption” (常熟市“两减六治三提升”专项行动减少煤炭消费总量实施方案) and “Implementation Plan to Rectify Small and Inefficient Boilers” (“常熟市燃煤锅炉整治专项行动实施方案”) issued by the Changshu government

several printing and dyeing companies in surrounding areas are planning to move into the coverage area of Suyuan Thermal Power, which will further lift the demand for steam. Sunpower plans to utilise its proprietary technologies, integrated capabilities and management's experience to upgrade Suyuan Thermal Power's facilities to optimize its operational performance and efficiency. All these developments can be expected to enhance the profitability of Suyuan Thermal Power and generate attractive valuations for the acquisition in the medium to long-term.

**Mr. Guo Hongxin, Executive Chairman of Sunpower said,** "This acquisition is an excellent example of how we are realising our medium-to-long term strategy of building a sizeable and valuable portfolio of GI assets that is already our value creator and growth driver. Successful execution will generate substantial net present value ("NPV") of future cashflows and attractive double-digit investment returns for the Group. With this acquisition, we will have 8 operating GI projects contributing to the Group's financial performance, as well as another 5 projects on the way either at the construction and design stages and a robust pipeline of projects under evaluation. The Group is on track to invest RMB2.5 billion in equity for its GI portfolio by 2021.

"In the coming years, we will continue to progressively convert our pipeline of projects under evaluation into actual investments. We believe that GI's unique business model, coupled with our technological expertise and strong support from all our shareholders, will bring the Group to greater heights in the next phase of growth." He continued.

**Note: This press release should be read in conjunction with the accompanying SGX announcement dated 13 August 2019.**

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### ***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. The actual results may vary from the anticipated results and such variations may be material. Accordingly, there can be no assurance that such projections and forward-looking statements can be realized. 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, with a strong focus on expanding into anti-pollution investment projects (“**Green Investments**”) which generate intrinsic value in the form of long-term, recurring and high-quality cash flows.

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**) and Manufacturing & Services (**M&S**). 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.

In the M&S segment, Sunpower has delivered superior quality products and services to approximately 1,500 customers in over 30 countries across the globe to-date. Its 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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