SUNPOWER GROUP LTD

Condensed interim financial statements
For the six months ended 30 June 2026

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Contents

Legends:

HY2026	6 months ended 30 June 2026
HY2025	6 months ended 30 June 2025
FY2025	12 months ended 31 December 2025
Nm	Not meaningful
CB	Convertible Bonds
ECL	Expected Credit Losses
FVTOCI	Fair value Through Other Comprehensive Income

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SIX MONTHS ENDED 30 JUNE 2026

Group	Notes	HY2026 RMB'000	HY2025 RMB'000	% Change
Revenue	5	1,783,035	1,601,922	11.3
Cost of sales		(1,333,541)	(1,132,436)	17.8
Gross profit		449,494	469,486	(4.3)
Other operating income	6	5,587	12,174	(54.1)
Selling and distribution expenses		(45,981)	(40,100)	14.7
Administrative expenses		(39,185)	(50,543)	(22.5)
Foreign exchange gain/(losses)		17,810	(16,481)	N.m.
Other operating expenses		(960)	(13,177)	(92.7)
Finance costs		(77,845)	(107,052)	(27.3)
Share of net profit of associate		893	3,656	(75.6)
Profit before income tax	**7**	309,813	257,963	20.1
Income tax expense	8	(78,622)	(58,876)	33.5
Profit for the period		231,191	199,087	16.1
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Net fair value gain on investments in equity instruments classified as at FVTOCI		1,112	-	N.m.
Other comprehensive income for the period		1,112	-	
Total comprehensive income for the period		232,303	199,087	16.7
Profit for the period attributable to:				
Equity holders of the Company		179,707	138,010	30.2
Non-controlling interests		51,484	61,077	(15.7)
Profit for the period		231,191	199,087	16.1
Total comprehensive income for the period attributable to:				
Equity holders of the Company		180,819	138,010	31.0
Non-controlling interests		51,484	61,077	(15.7)
Total comprehensive income for the period		232,303	199,087	16.7

Supplement information:

Financial effects of Convertible Bonds ("CBs") consist of unrealised foreign exchange translation and amortised interest costs of Convertible Bonds. The table below shows the financial effects of the CBs and the profit for the period without the financial effects of the CBs.

Group	HY2026 RMB'000	HY2025 RMB'000	% Change
Finance costs	17,085	26,830	(36.3)
Foreign exchanges (gain)/losses	(18,334)	18,262	N.m.
Financial effects of CBs	(1,249)	45,092	(102.8)
Profit for the period (without the financial effect of CBs) attributable to:			
Equity holders of the Company	178,458	183,102	(2.5)
Non-controlling interests	51,484	61,077	(15.7)
Profit for the period	229,942	244,179	(5.8)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	Group		Company	
		30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		1,243,718	921,961	2,038	2,113
Pledged deposits		203,537	229,126	-	-
Trade receivables	10	996,394	932,385	-	-
Other receivables, deposits and prepayments		239,766	147,430	58,722	58,722
Inventories	11	175,571	138,206	-	-
Assets held for sale		-	2,577	-	-
Financial assets at FVTOCI	12	76,699	51,515	-	-
Total current assets		2,935,685	2,423,200	60,760	60,835
Non-current assets					
Property, plant and equipment		467,266	476,759	-	-
Other receivables, deposits and prepayments		25,414	34,678	-	-
Right-of-use assets		213,869	219,292	-	-
Subsidiaries		-	-	914,379	914,379
Associates		117,157	101,341	-	-
Intangible assets		4,146,743	4,174,555	-	-
Deferred tax assets		82,347	79,845	-	-
Goodwill	13	415,582	415,582	-	-
Total non-current assets		5,468,378	5,502,052	914,379	914,379
Total assets		8,404,063	7,925,252	975,139	975,214
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables, other payables and contract liabilities		756,476	771,583	361,238	341,525
Borrowings	14	2,187,310	1,739,448	-	-
Lease liabilities		48	1,093	-	-
Income tax payable		46,456	50,987	-	-
Total current liabilities		2,990,290	2,563,111	361,238	341,525
Non-current liabilities					
Deferred tax liabilities		215,060	214,720	-	-
Borrowings	14	1,508,030	1,670,134	-	-
Convertible bonds	15	483,082	531,681	483,082	531,681
Lease liabilities		49	2,418	-	-
Total non-current liabilities		2,206,221	2,418,953	483,082	531,681
Capital and reserves					
Share capital	16	59,460	57,880	59,460	57,880
Share premium		346,859	317,642	346,859	317,642
General reserves		504,254	461,880	-	-
Conversion option reserves		806	806	806	806
Revaluation reserves		798	(1,578)	-	-
Retained earnings / (Accumulated losses)		1,641,883	1,504,550	(276,306)	(274,320)
Equity attributable to equity holders of the Company		2,554,060	2,341,180	130,819	102,008
Non-controlling interests		653,492	602,008	-	-
Total equity		3,207,552	2,943,188	130,819	102,008
Total liabilities and equity		8,404,063	7,925,252	975,139	975,214

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026

Group	Share capital RMB'000	Share premium RMB'000	General reserves RMB'000	Share option reserve RMB'000	Conversion option reserve RMB'000	Revaluation reserve RMB'000	Retained earnings RMB'000	Equity attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance as at 1 January 2025	57,662	313,653	366,056	319	-	(1,694)	1,278,303	2,014,299	529,197	2,543,496
Total comprehensive income for the year:										
Profit for the period	-	-	-	-	-	-	312,886	312,886	116,353	429,239
Other comprehensive income for the year	-	-	-	-	-	116	-	116	-	116
Total	-	-	-	-	-	116	312,886	313,002	116,359	429,361
Transactions with owners recognised directly in equity:										
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(6,900)	(6,900)
Transfer to general reserves	-	-	86,639	-	-	-	(86,639)	-	-	-
Acquisition of non-controlling interests	-	-	9,185	-	-	-	-	9,185	(36,648)	(27,463)
Equity component of convertible bonds	-	-	-	-	806	-	-	806	-	806
Convertible bonds converted into shares	218	3,989	-	-	-	-	-	4,207	-	4,207
Expiry of employee share option	-	-	-	(319)	-	-	-	(319)	-	(319)
Total	218	3,989	95,824	(319)	806	-	(86,639)	13,879	(43,548)	(29,669)
Balance as at 31 December 2025	57,880	317,642	461,880	-	806	(1,578)	1,504,550	2,341,180	602,008	2,943,188
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	179,707	179,707	51,484	231,191
Other comprehensive income for the period	-	-	-	-	-	1,112	-	1,112	-	1,112
Total	-	-	-	-	-	1,112	179,707	180,819	51,484	232,303
Transactions with owners recognised directly in equity:										
Transfer to general reserves	-	-	42,374	-	-	-	(42,374)	-	-	-
Transfer of fair value reserve upon disposal of equity investment at FVTOCI	-	-	-	-	-	1,264	-	1,264	-	1,264
Convertible bonds converted into shares	1,580	29,217	-	-	-	-	-	30,797	-	30,797
Total	1,580	29,217	42,374	-	-	1,264	(42,374)	32,061	-	32,061
Balance as at 30 June 2026	**59,460**	**346,859**	**504,254**	**-**	**806**	**798**	**1,641,883**	**2,554,060**	**653,492**	**3,207,552**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026 (continued)

Company	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Conversion option reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance as at 1 January 2025	57,662	313,653	319	-	(552,474)	(180,840)
Profit for the year representing total comprehensive profit for the year	-	-	-	-	278,154	278,154
Transactions with owners, recognised directly in equity:						
Equity component of convertible bonds	-	-	-	806	-	806
Convertible bonds converted into shares	218	3,989	-	-	-	4,207
Expiry of employee share option	-	-	(319)	-	-	(319)
Total	218	3,989	(319)	806	-	4,694
Balance as at 31 December 2025	57,880	317,642	-	806	(274,320)	102,008
Loss for the period representing total comprehensive loss for the period	-	-	-	-	(1,986)	(1,986)
Transactions with owners, recognised directly in equity:						
Convertible bonds converted into shares	1,580	29,217	-	-	-	30,797
Total	1,580	29,217	-	-	-	30,797
Balance as at 30 June 2026	**59,460**	**346,859**	**-**	**806**	**(276,306)**	**130,819**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	HY2026 RMB'000	HY2025 RMB'000
Operating activities		
Profit before income tax	309,813	257,963
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	20,265	22,285
Depreciation of right-of-use asset	2,607	3,124
Amortisation of intangible assets	108,932	107,453
Amortisation of contract cost	119	119
Interest expense	77,845	107,052
Exchange differences arising on foreign currency translation	524	(1,781)
Share of net profit of associate	(893)	(3,656)
Net loss on disposal of property, plant and equipment	360	6
Loss on disposal of right-of-use assets (“ROUA”)	82	-
Interest income	(2,686)	(2,924)
ECL loss on trade and other receivables	296	12,956
Exchange (gain)/loss on convertible bonds	(18,334)	18,262
Operating cash flows before movements in working capital	498,930	520,859
Trade receivables	(64,382)	(62,106)
Financial assets at fair value through other comprehensive income	(25,144)	7,916
Other receivables and prepayments	(86,168)	(32,747)
Inventories	(37,365)	48,019
Trade payables, other payables and contract liabilities	(20,993)	(96,190)
Cash from operations	264,878	385,751
Income tax paid	(86,898)	(57,525)
Interest paid	(58,598)	(79,649)
Interest received	2,686	2,924
Net cash from operating activities	122,068	251,501
Investing activities		
Purchase of property, plant and equipment	(8,269)	(8,560)
Prepayment for build-operate-transfer (“BOT”) projects	(25,330)	(3,502)
Acquisition of intangible assets	(34,564)	(51,232)
Acquisition of non-controlling interests	(10,000)	-
Investment in associate	(14,924)	-
Net cash used in investing activities	(93,087)	(63,294)
Financing activities		
Proceeds from new borrowings	1,212,469	979,164
Pledged bank deposits	25,589	8,818
Repayment of borrowings	(926,711)	(1,085,178)
Repayment of lease liabilities	-	(678)
Proceeds from issuance of rights issue	-	539,963
Payment of other financing activity expenses	-	(6,699)
Payment of convertible bonds	-	(1,108,462)
Payment of dividend to non-controlling interest of a subsidiary	-	(1,000)
Interest paid	(18,571)	(15,308)
Net cash from/(used in) financing activities	292,776	(689,380)
Net increase/(decrease) in cash and cash equivalents	321,757	(501,173)
Cash and cash equivalents at beginning of period	921,961	1,193,847
Cash and cash equivalents at end of period	**1,243,718**	**692,674**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate Information

Sunpower Group Ltd. (hereinafter referred to as “Company”, and together with its subsidiaries, the “Group”) is incorporated in Bermuda, under the Companies Act 1981 of Bermuda, with its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and principal place of business at No. 2111 Chengxin Road, Nanjing Jiangning Science Park, Nanjing, China 211112. The Company is listed on the mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”). The condensed interim financial statements are presented in Chinese Renminbi (“RMB”), which is the functional currency of the Company, and all figures are expressed in thousands unless stated otherwise.

The Company is an environmental protection specialist involved in the investment, development and operation of Green Investments (“GI”) projects in the anti-smog sector. As the Group’s value creator and growth driver, GI business invests in and operates centralised facilities that supply industrial steam, electricity and heating.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2025.

At the end of the reporting period, the Group’s current liabilities exceeded its current assets by RMB 54,605,000. The Group has adopted short-term bank borrowings as part of its cash management strategy, due to the flexibility of such banking facilities. Barring any unforeseen circumstances and after taking into consideration the Group’s present bank facilities, the working capital available to the Group is sufficient to meet its present requirements for at least the next 12 months. Therefore, the Board of Directors believes the Group has sufficient operating cash inflow to meet its current liabilities as they come due.

The Group has consistently applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements for the year ended 31 December 2025.

There are a number of new and revised accounting standards that are effective for annual financial periods beginning on or after 1 January 2026. The Group and Company assessed these changes and did not have to change its accounting policies nor make any retrospective adjustments as a result of adopting these standards.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in the FY2025 annual report, and there are no deviations for HY2026.

4. Seasonality of Interim Operations

Demand for industrial steam is not impacted significantly by cyclical factors while central heating is affected by seasonal differences in the weather. In general, peak sales of central heating occur in the winter months.

Please note that the Company’s financial results should be viewed on a 12-month basis to arrive at a balances perspective.

5. Disaggregation of Revenue

	HY2026 RMB'000	HY2025 RMB'000
Revenue recognised at the point of time:		
Provision of utilities	1,649,412	1,540,027
Sales of goods	55,128	31,671
Revenue recognised over time:		
Revenue from service concession arrangements	78,495	30,224
Total revenue	1,783,035	1,601,922

All the revenue are generated from People's Republic of China. There is no single end-user contributes more than 10% of the revenue in HY2026 and HY2025

6. Other Operating Income

	HY2026 RMB'000	HY2025 RMB'000
Government grants	2,605	2,240
Interest income	2,686	2,924
Government rebates	244	165
Gain on carbon emission quota	-	6,604
Others	52	241
Total	**5,587**	**12,174**

7. Profit Before Income Tax

	HY2026 RMB'000	HY2025 RMB'000
Amortisation of intangible assets	108,932	107,453
Depreciation of right-of-use assets	2,607	3,124
Amortisation of contract cost	119	119
Depreciation of PPE	20,265	22,285
Impairment loss on trade and other receivables subject to ECL, net	296	12,956
Loss on disposal of property, plant and equipment and intangible assets	360	6
Loss on disposal of leased assets (ROU)	82	-
Foreign exchange (gain)/loss – net	(17,810)	16,481
Finance costs	77,845	107,052

8. Income Tax Expense

	HY2026 RMB'000	HY2025 RMB'000
Current tax expense	81,298	63,507
Deferred tax	(2,676)	(4,631)
Total tax expenses	78,622	58,876

9. Related Party Transactions

Related parties comprise entities over which two of the Company's directors have significant influence or control, and non-controlling shareholders of partially held subsidiaries.

	HY2026 RMB'000	HY2025 RMB'000
Significant related party transactions:		
Rental expense	362	671
Utilities and electricity expenses	76	117
Purchase of design and construction services	3,044	10,817
Purchase of design services	142	245
Purchase of technical consulting services for feasibility study	94	-
Purchase of catering services in staff canteen	125	182

10. Trade Receivables

	Group	
	3 Jun 2026	31 Dec 2025
	RMB'000	RMB'000
Outside parties	1,192,642	1,128,260
Loss allowance	(196,248)	(195,875)
Total	996,394	932,385

The credit period for trade receivables is generally 90 – 180 days (2025: 90 – 180 days). These receivables are not secured by any collateral or credit enhancements. No interest is charged on the overdue trade receivables. During the half year ended 30 June 2026, there has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the trade receivables.

The following table details the risk profile of biomass subsidy receivable, trade receivables from traditional business based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on aging profile from invoice dates is not further distinguished between the Group's different customer base.

	GROUP						
	< 6 MONTHS RMB'000	7 - 12 MONTHS RMB'000	1 - 2 YEARS RMB'000	2 - 3 YEARS RMB'000	3 - 4 YEARS RMB'000	> 4 YEARS RMB'000	TOTAL RMB'000
As at 30 June 2026							
Biomass subsidy receivable:							
Expected credit loss rate	4%	4%	4%	4%	4%	4%	
Estimated total gross carrying amount at default	67,883	35,762	77,168	71,660	109,761	93,465	455,699
Lifetime ECL	(2,715)	(1,430)	(3,087)	(2,866)	(91,625)	(92,884)	(194,607)
							261,092
Others:							
Expected credit loss rate	0%	0 % - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	674,612	34,677	20,141	7,000	-	513	736,943
Lifetime ECL	-	-	(253)	(875)	-	(513)	(1,641)
							735,302
Total:							
Estimated total gross carrying amount at default	742,495	70,439	97,309	78,660	109,761	93,978	1,192,642
Lifetime ECL	(2,715)	(1,430)	(3,340)	(3,741)	(91,625)	(93,397)	(196,248)
							996,394
As at 31 December 2025							
Biomass subsidy receivable:							
Expected credit loss rate	4%	4%	4%	4%	4%	4%	
Estimated total gross carrying amount at default	68,877	78,701	67,071	97,233	103,290	43,535	458,707
Lifetime ECL	(2,755)	(3,148)	(2,683)	(39,920)	(103,290)	(42,933)	(194,729)
							263,978
Others:							
Expected credit loss rate	0%	0 % - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	601,972	16,353	50,696	19	-	513	669,553
Lifetime ECL	-	-	(631)	(2)	-	(513)	(1,146)
							668,407
Total:							
Estimated total gross carrying amount at default	670,849	95,054	117,767	97,252	103,290	44,048	1,128,260
Lifetime ECL	(2,755)	(3,148)	(3,314)	(39,922)	(103,290)	(43,446)	(195,875)
							932,385

The table below shows the movement in lifetime ECL that has been recognised for biomass subsidy receivables, trade receivables and contract assets in accordance with the simplified approach set out in SFRS(I) 9:

	LIFETIME ECL CREDIT-IMPAIRED		
	INDIVIDUALLY ASSESSED RMB'000	COLLECTIVELY ASSESSED RMB'000	TOTAL RMB'000
GROUP			
Balance as at 1 January 2025	184,851	10,585	195,436
Change in loss allowance due to existing trade receivables originated	6,603	-	6,603
Change in loss allowance due to the recovery of trade receivables	-	(2,628)	(2,628)
Change in loss allowance due to deteriorating trade receivables aging backet, net of those derecognised due to settlement	-	3,676	3,676
Write-off of bad debts	(7,212)	-	(7,212)
Balance as at 31 December 2025	184,242	11,633	195,875
Change in loss allowance due to deteriorating trade receivables aging backet, net of those derecognised due to settlement	-	373	373
Balance as at 30 June 2026	184,242	12,006	196,248

11. Inventories

	Group	
	30 Jun 2026 RMB'000	31 Dec 2025 RMB'000
Raw materials and consumables, net of allowance	175,571	138,206
Movements in allowance for inventories:		
At beginning of year	508	508
Charge to profit or loss	-	-
At end of year	508	508

12. Financial assets at FVTOCI

	Group		
	30 Jun 2026 RMB'000	31 Dec 2025 RMB'000	Fair value hierarchy
Financial assets at fair value through other comprehensive income - notes receivables	76,699	51,515	Level 3

Fair value measurements are categorised into Level 3 which meant that the inputs are unobservable inputs for the asset or liability.

13. Goodwill

Goodwill is allocated to each cash-generating units ("CGU") identified that are expected to benefit from the business combination. The carrying amounts of goodwill of each CGU are as follows:

	Group	
	30 Jun 2026	31 Dec 2025
	RMB'000	RMB'000
Hebei Changrun Environmental Ltd.	5,483	5,483
Qingdao Xinyuan Thermal Power Co., Ltd.	20,423	20,423
Zhangjiagang Yongxing Thermal Power Co., Ltd	309,863	309,863
Changshu Suyuan Thermal Power Co., Ltd	79,813	79,813
Total	415,582	415,582

Goodwill is not amortised but is reviewed for impairment at least annually. During the half year ended 30 June 2026, there has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the impairment for the goodwill.

14. Borrowings

	Group	
	30 Jun 2026	31 Dec 2025
	RMB'000	RMB'000
Secured borrowing due ***within*** one year	2,187,310	1,739,448
Secured borrowing due ***after*** one year	1,508,030	1,670,134
Total	3,695,340	3,409,582

Details of any collaterals:

Secured by building, land use rights, and service concession arrangement and equipment of the subsidiary, and guaranteed by the Company	197,943	272,769
Secured by building, land use rights, and service concession arrangement and equipment, pledged bank deposit of the subsidiary	1,710,717	1,648,878
Guaranteed by another subsidiary	1,786,680	1,487,935

15. Convertible Bonds

	Group and Company	
	30 Jun 2026	31 Dec 2025
	RMB'000	RMB'000
Debt host liability component, at amortised cost	483,082	531,681
Equity component, conversion option	806	806
	483,888	532,487

On 3 April 2025, the Company received S$99.46 million (RMB 539.96 million) in gross proceeds from the issuance of renounceable non-written rights issue in aggregate principal amount of convertible bond convertible into 397.8 million new conversion shares, with 7% coupon interest rate per annum (the "Rights Issue of CB"). The convertible bonds will mature 5 years from the issue date of the Convertible Bonds. The net proceeds of approximately S$94.83 million (approximately RMB515.88 million) from the Rights Issue of CB was used to fully repay the CB1 and CB2 on 7 April 2025.

During the six months ended 30 June 2026, certain bondholders have opted to exercise their right to convert part of the Rights Issue of CB in the principal amount of S$5,668,489 (approximately RMB30,757,000). 22,673,956 Conversion Shares have been issued to the Bondholders at a Conversion Price of S$0.25 as determined under the terms and conditions of the Rights Issue of CB.

	Group and Company	
	30 Jun 2026	31 Dec 2025
	RMB'000	RMB'000
Right issue of CB		
Nominal value of CB issued	539,963	539,963
Less: Transaction costs	(5,748)	(5,748)
Less: Equity component on the issuance date	(806)	(806)
Net value of CB issued	533,409	533,409
Foreign exchange (gain)/loss	(16,991)	1,343
Cumulative interest accrued	46,550	29,466
Total	562,968	564,218
Less: Interest payables included in accruals	(8,237)	(9,171)
Less: Interest paid to bondholders	(36,644)	(19,159)
Less: Converted to shares	(35,005)	(4,207)
Balance at end of period/year	483,082	531,681

16. Share Capital

	Number of ordinary shares		Paid up capital	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	'000	'000	RMB'000	RMB'000
Issued and fully paid up:				
At the beginning of the period/year	798,739	795,686	57,880	57,662
Convertible bond converted into ordinary shares	22,674	3,053	1,580	218
At the end of the period/year	**821,413**	**798,739**	**59,460**	**57,880**

There were no outstanding treasury shares held as at 30 June 2026 and 31 December 2025.

On 3 April 2025, the Company received S$99.46 million (RMB539.96 million) in gross proceeds from the issuance of renounceable non-written rights issue in aggregate principal amount of convertible bond convertible into 397.8 million new conversion shares, with 7% coupon interest rate per annum (the "Rights Issue of CB"). The convertible bonds will mature 5 years from the issue date of the Convertible Bonds. The net proceeds of approximately S$94.83 million from the Rights Issue of CB was used to fully repay the CB1 and CB2 on 7 April 2025.

During the year of 2025, certain bondholders have opted to exercise their right to convert part of the Rights Issue of CB in the principal amount of S$763,275. 3,053,100 Conversion Shares have been issued to the Bondholders at a Conversion Price of S$0.25 as determined under the terms and conditions of the Rights Issue of CB.

During the six months ended 30 June 2026, certain bondholders have opted to exercise their right to convert part of the Rights Issue of CB in the principal amount of S$5,668,489. 22,673,956 Conversion Shares have been issued to the Bondholders at a Conversion Price of S$0.25 as determined under the terms and conditions of the Rights Issue of CB.

Assuming that all outstanding convertible bonds under the Rights Issue of CB have been converted using the fixed conversion price of S$0.25 and that all share options granted have been exercised as at 30 June 2026, the number of shares that may be issued as at 30 June 2026 is 372,116,012 ordinary shares (30 June 2025: 397,843,068 ordinary shares). The fully diluted shares (including treasury shares) as at 30 June 2026 is 1,180,306,124 ordinary shares (30 June 2025: 1,193,529,210 ordinary shares).

17. Earning Per Share

(a) Based on the weighted average number of ordinary shares on issue; and

	HY2026	HY2025
Net profit attributable to equity holders of the Group (RMB'000)	179,707	138,010
Weighted average number of ordinary shares outstanding ('000)	808,190	795,686
Earnings per shares – ***Basic*** (RMB cents)	22.24	17.34

(b) On a fully diluted basis (detailing any adjustments made to the earnings)

	HY2026	HY2025
Net profit attributable to equity holders of the Group (RMB'000)	178,458	183,102
Weighted average number of ordinary shares outstanding ('000)	1,180,306	1,193,529
Earnings per shares – ***Diluted*** (RMB cents)	15.12	15.34

Diluted earnings per share for the above periods have been calculated by assuming the outstanding convertibles have been converted at S$0.25 (2025: S$0.25) based on exercise price of convertible bonds issued on 3 April 2025, and that all share options granted have been exercised as at 30 June 2026 and 2025 respectively.

18. Net Asset Value per share

	Group		Company	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
Net asset value per share (RMB cents)	390.49	368.48	15.93	12.77

The net asset value per share for 30 June 2026 and 31 December 2025 have been computed based on shareholders' equity as at these dates and the existing share capital of 821,413,198 and 798,739,242 ordinary shares as at 30 June 2026 and 31 December 2025 respectively.

19. Dividend

No dividend has been declared or recommended by the Board of Directors of the Company for the six month ended 30 June 2026. It is not the Company's practice to declare dividends during the first half of the financial year.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

(1) AUDIT

The statements of financial position as at 30 June 2026 and the related consolidated statement of profit or loss and comprehensive income, statements of changes in equity and consolidated statement of cash flows for the six months ended on 30 June 2026 and the selected explanatory notes ("the Condensed Interim Financial Statements") have not been audited or reviewed by the Company's auditors.

(2) REVIEW OF GROUP PERFORMANCE

(a) Consolidation Statement of Profit or Loss and Other Comprehensive Income

Revenue

The Group's revenue is derived mainly from the provision of utilities. Despite the prevailing macroeconomic pressures, demand for steam increased compared with the same period last year. Revenue increased by approximately RMB181.1 million, or 11.3%, from RMB1,601.9 million in HY2025 to RMB1,783.0 million in HY2026. The increase was driven by increased demand from the provision of utilities, including contributions from the ramp-up of existing projects.

Gross Profit

Gross profit decreased by approximately RMB20.0 million, or 4.3%, from RMB469.5 million in HY2025 to RMB449.5 million in HY2026. Fuel costs continued to fluctuate during the period, while certain projects' adjustments to the Group's steam selling prices experienced a temporary lag, and recorded lower steam selling prices. As a result, the increase in cost of sales exceeded the increase in revenue. Nevertheless, the continued operation of the price adjustment mechanism helped mitigate the impact of fluctuations in fuel costs and supported the Group's unit sales profit from steam.

Profit before Income Tax

Profit before income tax increased by approximately RMB51.8 million, or 20.1%, from RMB258.0 million in HY2025 to RMB309.8 million in HY2026. This was due mainly to the following:

(a) Improvement in foreign exchange results of approximately RMB34.3 million, from a foreign exchange loss of RMB16.5 million in HY2025 to a foreign exchange gain of RMB17.8 million in HY2026, due mainly to movements of RMB against SGD and their corresponding impact on the Group's foreign-currency-denominated Convertible Bonds;

(b) A reduction in finance costs of approximately RMB29.3 million, from RMB107.1 million in HY2025 to RMB77.8 million in HY2026, due mainly to the reduction in interest expenses on the Convertible Bonds, as well as the Group respaid the long-term loans;

(c) Decrease in administrative expenses of approximately RMB11.3 million, from RMB50.5 million in HY2025 to RMB39.2 million in HY2026, due mainly to the absence of one-off employee compensation payments relating to the Company's organisational rationalisation that were recognised in the corresponding period last year; and

(d) Decrease in other operating expenses of approximately RMB12.2 million, from RMB13.2 million in HY2025 to RMB1.0 million in HY2026, due mainly to lower impairment losses recognised on trade receivables compared with the corresponding period last year.

However, the above factors were partially offset by:

(e) Decrease in gross profit of approximately RMB20.0 million, as explained above;

(f) Decrease in other operating income of approximately RMB6.6 million, from RMB12.2 million in HY2025 to RMB5.6 million in HY2026, due mainly to no gains from carbon emission quotas recognised during the period compared with the corresponding period last year;

(g) Increase in selling and distribution expenses of approximately RMB5.9 million, from RMB40.1 million in HY2025 to RMB46.0 million in HY2026, due mainly to the increased demand of Shantou Project; and

(h) Drop in the share of net profit of associates of approximately RMB2.8 million, from RMB3.7 million in HY2025 to RMB0.9 million in HY2026, due mainly to the lower contribution by the associates during the period.

Income tax expenses

Income tax expense increased by approximately RMB19.7 million, or 33.5%, from RMB58.9 million in HY2025 to RMB78.6 million in HY2026, which was generally in line with the increase in profit before income tax.

Profit for the Financial Period

As a result of the above, the Group's net profit attributable to equity holders has increased by RMB41.7 million or 30.2% from RMB138.0 million in HY2025 to RMB179.7 million in HY2026. Excluding the impact of financial effects of CB, the Group's net profit attributable to equity holders has decreased slightly by RMB4.6 million or 2.5% from RMB183.1 million in HY2025 to RMB178.5 million in HY2026.

(b) Consolidation Statements of Financial Position

The Group's total current assets increased by RMB512.5 million, or 21.1%, from RMB2,423.2 million as at 31 December 2025 to RMB2,935.7 million as at 30 June 2026. The increase was attributable mainly to the following:

(i) Increase in cash and cash equivalents of approximately RMB321.8 million, due mainly to net cash generated from operating activities and proceeds from financing activities, partially offset by repayments of borrowings and payments for the acquisition of property, plant and equipment and intangible assets;

(ii) Increase in other receivables, deposits and prepayments of approximately RMB92.3 million, due mainly to increase in deposit placed for finance leases, VAT receivables and advances made to third parties during the current period;

(iii) Increase in trade receivables of approximately RMB64.0 million, as the increase in steam volume sales from GI projects;

The settlement of the biomass power subsidies is based mainly on the prevailing national policies set by the Ministry of Finance of the PRC and without a contractual payment plan. The Ministry of Finance of the PRC disburses the subsidies to the local State Grid and other competent authorities after the approval and then the local State Grid pays the subsidies to the biomass plants based on the volume of electricity sold to the State Grid after their inclusion into the subsidy catalogue. Delays in the payments of biomass subsidies occurred, therefore trade receivables continued to increase.

The new plant of Xintai Zhengda Project has been included in the Renewable Energy Power Generation Subsidy List and will receive feed-in tariff subsidies for the electricity generated by its biomass boiler in due course. As disclosed in "Supplementary Notice on Relevant Matters of Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Generation" dated September 2020: Biomass power generation projects will no longer enjoy central financial subsidy funds after 15 years from the date of grid connection or after 82,500 hours of reasonable utilisation throughout its lifecycle.

Tongshan Project's biomass power generation business obtained its grid connection permit in 2021 and has passed the confirmation of the provincial-level competent authorities. The project has passed the review and acceptance of the National Energy Administration (Jiangsu Supervision Office) and the Jiangsu Development & Reform Commission. It is now being reviewed by the National Renewable Energy Information Management Center.

On 2 June 2026, the Group received biomass subsidies for Xintai Project, amounting to RMB 72.3 million. As at 30 June 2026, the outstanding balance of biomass subsidies (net of loss allowance) for abovementioned two projects is RMB 261.1 million, and the Group will continue to closely follow up on the status of trade receivable for biomass power generation business.

As for Shantou Project, which is 51%-owned by the Group, according to the concession agreement signed between the Shantou Chaonan Local Government and CES (a state-owned enterprise), CES is an authorised concessionaire. Shantou Project had previously signed a steam supply agreement with CES to undertake the supply of steam to over 100 downstream steam users in the Shantou Textile Circular Economy Industrial Park (汕头潮南纺织印染环保综合处理中心).

The Group had offered the downstream customers a payment grace period. And the management continues to diligently monitor the receivable turnover days.

Approximately 59.8% and 28.5% of the trade receivables at 31 December 2025 and 30 June 2026 respectively were collected as at 31 July 2026, which were calculated based on the gross carrying amount of trade receivables. Loss allowances for trade receivables and contract assets are based on the expected credit loss model estimated by reference to past default experience of debtors, including historical and forward-looking information.

Collection efforts have been consistently maintained by the management through constant reminder to customers on their obligations, including seeking legal action if necessary;

(iv) Increase in inventories of approximately RMB37.4 million, due primarily to more storing of the fuel inventory; and

(v) Increase in financial assets at fair value through other comprehensive income of approximately RMB25.2 million resulting mainly from addition in notes receivables held by the Group.

However, the above factors were partially offset by a decrease in pledged deposits of approximately RMB25.6 million, as less collateral was required for the credit facilities granted at the end of the period.

The Group's total non-current assets decreased by approximately RMB 33.7 million, or 0.6%, from RMB5,502.1 million as at 31 December 2025 to RMB5,468.4 million as at 30 June 2026. The decrease was attributable mainly to the following:

i. Decrease in intangible assets of approximately RMB27.8 million, due mainly to amortisation expenses incurred during the period;

ii. Decrease in property, plant and equipment of approximately RMB9.5 million, due mainly to routine depreciation expenses incurred during the period;

iii. Decrease in other receivables, deposits and prepayments of approximately RMB9.3 million, due primarily to the capitalisation of the prepayment of BOT projects; and

iv. Decrease in right-of-use assets of approximately RMB5.4 million, due mainly to depreciation charges recognised during the period.

The above decreases were partially offset by:

v. Increase in the Group's interests in associates of approximately RMB15.8 million, due to the Group's share of net profits of RMB0.9 million and further capital injection of RMB14.9 million in the associates during the period; and

vi. Increase in deferred tax assets of approximately RMB2.5 million, due mainly to changes in temporary differences recognised during the period.

The Group's total current liabilities increased by approximately RMB427.2 million, or 16.7%, from RMB2,563.1 million as at 31 December 2025 to RMB2,990.3 million as at 30 June 2026. The increase was due mainly to:

i) Increase in current borrowings of approximately RMB447.9 million, due mainly to additional short-term financing obtained for the Group's working capital and operational requirements.

The above increase was partially offset by:

ii) Decrease in trade payables, other payables and contract liabilities of approximately RMB15.1 million, primarily as a result of payments of outstanding raw-material purchases and construction payables for BOT projects;

iii) Decrease in income tax payable of approximately RMB4.5 million, due mainly to income tax payments made during the period; and

iv) Decrease in current lease liabilities of approximately RMB1.0 million, due mainly to disposal of the Right of Use asset during the period.

The Group's total non-current liabilities decreased by approximately RMB212.7 million, or 8.8%, from RMB2,418.9 million as at 31 December 2025 to RMB2,206.2 million as at 30 June 2026. The decrease was attributable mainly to:

i. Decrease in non-current borrowings of approximately RMB162.1 million, due primarily to repayment and reclassification of long-term loans to current liabilities as their repayment dates approached;

ii. Decrease in convertible bonds of approximately RMB48.6 million, due mainly to the conversion of convertible bonds into equity in this period; and

iii. Decrease in non-current lease liabilities of approximately RMB2.4 million, due mainly to disposal of the Right of Use asset during this period.

The above decreases were partially offset by an increase in deferred tax liabilities of approximately RMB0.3 million, arising from changes in taxable temporary differences during the period.

(c) Review of the Group's cash flow statement

Net cash generated from operating activities amounted to approximately RMB122.1 million in HY2026, due primarily to the following factors:

(i) Increased working capital requirements arising from an increase in trade receivables of approximately RMB64.4 million, an increase in financial assets at fair value through other comprehensive income of approximately RMB25.1 million, an increase in other receivables and prepayments of approximately RMB86.2 million, an increase in inventories of approximately RMB37.4 million, and a decrease in trade payables, other payables and contract liabilities of approximately RMB21.0 million; and

(ii) Income tax and interest paid of approximately RMB145.5 million in aggregate, partially offset by interest received of approximately RMB2.7 million.

Net cash used in investing activities amounted to approximately RMB93.1 million, due mainly to the acquisition of intangible assets of approximately RMB34.6 million, prepayments for build-operate-transfer ("BOT") projects of approximately RMB25.3 million, investment in an associate of approximately RMB14.9 million, acquisition of non-controlling interests of approximately RMB10.0 million, and purchases of property, plant and equipment of approximately RMB8.3 million.

Net cash generated from financing activities amounted to approximately RMB292.8 million, due mainly to proceeds from new borrowings of approximately RMB1,212.5 million and a decrease in pledged bank deposits of approximately RMB25.6 million, partially offset by repayments of borrowings of approximately RMB926.7 million and interest paid of approximately RMB18.6 million.

(3) USE OF PROCEEDS FROM THE RIGHTS ISSUE OF CONVERTIBLE BONDS

On 3 April 2025, the Company received S$99.46 million in gross proceeds from the Right Issue of Convertible Bonds (the "Rights Issue"). After deducting expenses of S$1.06 million, the Company raised net proceeds of approximately S$98.40 million from the Rights Issue ("Net Proceeds").

As disclosed in the "Use of Proceeds" section in the Offer Information Statement ("OIS") of the Right Issue dated 10 March 2025, the Company intends to use the Net Proceeds for the repayment of the Existing Bonds issued by the Company to the Existing Bondholders before the maturity date of the Existing Bonds.

In addition, as disclosed in the "Use of Proceeds" section of the OIS, in the event if there is excess Net Proceeds after the redemption of the Existing Bonds, the remaining amount of the Net Proceeds shall be retained by the Company for working capital purposes.

As at 31 July 2026, the Company has utilised all of the net proceeds from the Rights Issue as per the schedule below.

	Use of Proceeds
Repayment of Existing Bonds	S$94.83 million (approximately RMB515.88 million)
Payment for salaries and wages	S$3.04 million (approximately RMB16.84 million)
Payment for intermediary service fees and office expenses	S$0.53 million (approximately RMB3.00 million)
Total Net Proceeds used	**S$98.40 million (approximately RMB535.72 million)**

Each of the above utilisation of the proceeds from the Rights Issue is consistent with the intended use as disclosed in the Company's circular to shareholders.

(4) VARIANCE FROM PROSPECT STATEMENT

Not applicable as no prospect statement is given.

(5) PROSPECTS

The Group operates 11 Green Investments ("GI") projects strategically located across key industrial parks and economic clusters in China, serving approximately 500 customers across over 20 industries. As an early practitioner of the Circular Economy Model, the GI business continues to generate resilient recurring income and strong long-term operating cash flows.

Looking ahead, the Group remains cautiously optimistic about the outlook for its GI business. Demand for clean and efficient industrial utility services is expected to remain resilient, supported by China's continued industrial upgrading, tightening environmental standards, and ongoing commitment to high-quality development and the "Dual Carbon" strategy.

Coal prices remained volatile and on an upward trend in HY2026, with average prices increasing by more than 15% year-on-year. This elevated pricing environment is expected to persist into the second half of 2026[1].

In response, the Group has implemented a comprehensive mitigation strategy. This includes timely selling price adjustments, enhanced procurement and inventory management, increased use of alternative feedstock, reduced pipeline transmission losses, continued optimisation of financing costs, and the application of artificial intelligence (AI) to improve operational efficiency. Together, these initiatives are expected to strengthen the long-term resilience and profitability of the GI business.

[1] https://baijiahao.baidu.com/s?id=1870343254487824902&wfr=spider&for=pc

(6) **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for IPTs. The Group has established a procedure for recording and reporting interested person transactions. All interested person transactions are subject to review by the Company's Independent Committee to ensure they are carried out on normal commercial terms.

However, there are transactions performed under agreements that were entered into during the period in which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of such contracts, these transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

The IPTs for the six months ended 30 June 2026 are outlined as follows:

Name of Entity at Risk	**Name of Interested Person**	**Nature of Relationship**	**Nature of Transaction**	**Aggregate value of all interested person transactions for the six months ended 30 June 2026 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)[1] RMB'000**	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the six months ended 30 June 2026 (excluding transactions less than S$100,000)[2] RMB'000**
Shantou Sunpower Keying Thermal Power Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Payment for Heating Pipeline Network Expansion Project	3,044	-

Note:

(1) The transactions listed in this column pertain to transactions that are non-mandated.

(2) The transactions listed in this column pertain to transactions performed under agreements that were entered into during the period which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

INFORMATION PURSUANT TO RULE 705(5) AND 706A OF THE SGX-ST LISTING MANUAL

Disclosure on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the SGX-ST Listing Manual

Incorporation of subsidiary

#	Entity Name	Place of incorporation / registration	Registered capital (RMB'000)	Capital injection (RMB'000)	Principal activities	Effective interest held by the Group
1	Nanjing Hengyao Energy Trading Co., Ltd. 南京恒耀能源贸易有限公司	People's Republic of China	5,000	nil as it is just incorporated	Sale of coal and coal-related products, domestic trade agency services, supply chain management services, and general cargo warehousing services	100%

CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which render the unaudited interim financial results for the half year ended 30 June 2026 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
SUNPOWER GROUP LTD.

Lin Jiankai
Executive Director and Chief Executive Officer

Lim Kuan Meng
Chairman of Audit Committee

BY ORDER OF THE BOARD
SUNPOWER GROUP LTD

Lin Jiankai
Executive Director and Chief Executive Officer

12 August 2026